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Report FD-26:	3 (5	-12-55.)

FEDERAL BUREAU OF INVESTIGATION

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porting Office	Office of Origin	Date	Investigative Peri	od
EL PASO	EL PASÒ	5/16/62	3/6 - 5/16/	62
TE OF CASE		Report made by		clp, b6
BILLIE SOL ÉSTE COLEMAN DELBERT HAROLD EUGENE O RUEL WADE ALEXA SUPERIOR MANUFA	MC SPADDEN; RR; NDER;	CHARACTER OF CA	AAIL FRAUD; CO	jik,jes efp NSPIRACY
nopsis:	REFER	ENCE		
Repor	t of	dated 4/1	12/62 at El Pa	so. b6
PSOPSILLE STEELS	- P	~	7	
9/12/62 9/12/62	ADMINIS	TRATIVE	/ * 	
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57 MAY 29 1962 SEE COVER PAGE	3-33-33-33-33-33-33-33-33-33-33-33-33-3	M Z M	Y 1-7-1962	REC 55
5 - El Paso (29				
4 - Bureau	(29-28704)			À
cc (rept) Dis	Dept Curing ld L. (att: Curly, Cin	2nv.) I Div)	To the state of the	
nerty of FBI - This report 1	s loaned to you by the Hal,	and neither it no	n tte contents are to	he distributed "

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- 1 New York (87-26066)(Info)
- 5 El Paso (29-351)

LEADS

BALTIMORE, CHICAGO, DETROIT, INDIANAPOLIS, LOS ANGELES, MINNEAPOLIS, NEW YORK

One copy of this report being furnished for information of offices indicated as investigation pending or has been conducted by these offices and additional requests may be made of these offices in the future. Neither Albuquerque nor Oklahoma City, who are currently conducting investigation, have any need for a copy of this report.

BRIEF SUMMARY OF INVESTIGATION BEING CONDUCTED

<u>ALBUQUERQUE</u>

Interviewing re tank purchases and forged contracts.

DALLAS

Interviewing individuals signing contracts generated by MC SPADDEN and developing information relative-

B COVER PAGE b6 b7C EP 29-351

to substantive ITSP counts against MC SPADDEN and CLEMENTS.

INDIANAPOLIS

Reinterviewing General Leasing of Fort Wayne, Inc., at Fort Wayne.

OKLAHOMA CITY

Interviewing re tank purchases during CLEMENT's era as president of Superior Manufacturing Company.

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NEW YORK and LOS ANGELES

Forwarding originals of certain CIT and PFC contracts to Laboratory for handwriting examinations.

EL PASO

1. Continuing review of Superior Manufacturing Company records.

	2.	Cons	ider	reinterv:	iewing			
	Texas	or at	Hot	Springs,	Arkansas,	where	now	associated
with S	kylanes	s, Inc	., re	involve	ment of			

- 3. Tabulate exhibits for trial purposes.
- 4. Maintain close liaison with AUSA.
- 5. Closely follow and report investigation.

C*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - AUSA, El Paso, Texas						
Report of:	Office:	El Paso				
Date: May 16, 1962						
Field Office File No.: 29-351	Bufile:	29-28704				
Title: BILLIE SOL ESTES; COLEMAN DELBERT MC SPADDEN; HAROLD EUGENE ORR; RUEL WADE ALEXANDER; SUPERIOR MANUFACTURING COMPANY						
Character: INTERSTATE TRANSPORTATION (MAIL FRAUD; CONSPIRACY .	of stolen :	PROPERTY -				
contracts was forged. Results of inter	vidual puro nds that or rviews had	chasers set ne o f hite				
	ner employe	ees of				
affiliated companies set forth.						
and other employees of Superior Manufacturing Company inter- viewed. stated that ORR and ALEXANDER on March 17,						
viewedstated that ORR and ALEXANDER on March 17, 1962, outlined their activities with regard to ammonia tank						
sales to him. Results of interviews with additional tank						
inspectors as well as fo	ormer CIT	employee,				
set forth. Telephone company and bank	records re	eviewed.				

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EP 29-351

On February 25, 1954, HAROLD E. ORR indicted for embezzlement in Potter County, Texas. On March 17, 1954, ORR entered plea of guilty and sentenced to serve two years, however, sentence suspended. USA, Northern District of Texas, at Dallas, considering substantive counts charging MC SPADDEN with violation Section 2314, Title 18, United States Code. AUSA, El Paso, considering recalling Grand Jury to hear additional testimony. ESTES MAY HAVE SUICIDAL TENDENCIES.

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EP 29-351

I. INTERVIEWS WITH REPRESENTATIVES OF FINANCE COMPANIES

1.	First Acceptance Division of James Talcott, Inc., Minneapolis,	Page
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6.	Associates Investment Company,	63

FEDERAL BUREAU OF INVESTIGATION

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James Talcott, Inc., 209 South LaSalle Street, Chicago,	D /C
Illinois, was interviewed at the First Acceptance Division	
of James Talcott, Inc., 820 First National Bank Building,	
Minne apolis.	
James Talcott .//	b6
Regional Office covering Chicago, Detroit and Minneapolis.	ь6 "ь7с
advised that since July 1, 1960 the First Acceptance	
Corporation (FAC) was acquired by James Talcott, Inc. and now	
operates as a division of that company.	
In regard to the business that his firm did with	
	b6
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bills of sales from two companies, the Superior Manufacturing	
Co., Inc., Amarillo, and the Lubbock Machine and Supply Co.,	
Inc., Lubbock, Texas.	
explained that the financial paper that	b6
his company purchased from Superior predates the period that	b7C
COLEMAN S. McSPADDEN was the head of the firm. Business	
with Superior was regenerated in July of 1958, at which time	
First Acceptance purchased about three contracts involving	
Superior sales to BILLIE SOL ESTES. For that period on	
First Acceptance purchased a number of deals involving	
Superiors purported sales of anhydrous ammonia tanks. According to it appears that FAC did a	
gross amount of \$860,000.00 of business with Superior.	
The present outstanding balance as of March 19, 1962 was	
approximately \$402,000.00. Since that time the Chandler	
Company have admitted their libility on installment contracts	
and have paid off approximately \$42,000.00.	
funther employed that while TAC had	b6
further explained that while FAC had purchased only three package deals involving BILLIE SOL	b7C
ESTES they later found out that Superior had sold them a	
number of deals involving the Lester Stone Company. It	
/10/62 Minneapolis, Minnesota File # Minneapolis 87-7949	
atat	
A(A) RICHARD N. PETERSON/sr 5 4/12/62	
A(A) RICHARD N. PETERSON/ST 5 4/12/62 Date dictated	

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now appears that BILLIE SOL ESTES is a partner in that firm. FAC presently has a balance of roughly \$48,000.00 in paper involving the Lester Stone Company. urther advised that FAC is presently handling contracts with Superior's purported sales to COLEMAN S. McSPADDEN of approximately \$59,000.00. In regard to the paper that FAC had purchased from Lubbock Machine and Supply Co., Inc., stated that this was a fine old firm. It had been in business manufacturing propane tanks for many years. The contract with this firm was regenerated in August of 1960 and in a period commencing then and until December 9, 1960 FAC purchased paper in a gross amount of \$937,000.00. is a purchase, halance outstanding of annrovimately \$665,000.00. FAC, had no knowledge of the manipulations of SOL ESTES until they were brought to light in recent newspaper publicity in southwest Texas. stated that now he can see that the expose of SOL ESTES probably began in a series of events which started in December, 1960. stated that neither his firm nor his associates had any idea that SOL ESTES was involved with officers and personnel at Superior and Lubbock. However, in appraising their present position, he realizes that FAC had stopped buying paper from Superior in December of 1960. that time Superior had presented two contracts to Talcott amounting to approximately \$250,000.00 to \$260,000.00. explained that his firm has a limitation on the amount of paper they will buy from any customer reflecting sales to any one individual. The loan package of \$250,000.00 that Superior had offered to Talcott was larger than they cared to accent without physically inspecting the property stated that the Talcott Company asked involved. Superior for a certified balance sheet and subsequently the deal blew up and Talcott people were given the impression by Superior that they had lost the deal to competition. When no certified balance sheet was forthcoming Talcott

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stated their investiga-

stopped buying from Superior. He said they then started to verify all of their accounts and this was done either

tion of the Lubbock situation indicated that Lubbock had a

by telephone or by letter.

contingent liability on their accounts of some four million dollars and their statement showed a commission account of \$300,000.00. It appeared to them that Lubbock was endorsing papers for other suppliers and, therefore, they refused to do business with them further and that was the condition of the account when the matter blew up in March of 1962.

On

FÉDERAL BUREAU OF INVESTIGATION

DERAL BUREAU OF INVESTIGATION

Date April 16, 1962

First Acceptance Division of James Talcott, Inc., Northwestern National Bank Building, advised that he had just returned from Texas where he had been looking after the company's interest and he had attended a meeting of the finance companies at Dallas on March 27th in which eight finance companies appeared to be involved in undoubtedly one of the largest fraud cases ever perpetrated. stated that he had been with the First Acceptance Corporation before it was purchased by James Talcot, Inc. and that after the mergering of the two firms he had gone to Chicago and just returned here on February 6, 1962. He first became aware of the perpetrations of BILLIE SOL ESTES through the Superior Manufacturing Co., Inc. and the Lubbock Machine and Supply Company, Inc. when his New York Office sent him a clipping from an editorial in one of the Pecos, Texas newspapers. This clipping had been photostated and sent anonymously to a number of large finance companies who apparently were all victims of BILLIE SOL ESTES' manipulations. This editorial stated that Reeves County, Texas was apparently the tank capitol of the world inasmuch as there were over 15,000 anhydrous ammonia tanks recorded sold in the county. _____reported that obviously the need for fertilizer tanks in whe whole state of Texas wouldn't amount to this figure and; therefore their New York Office instructed them to investigate. He immediately sent of the Minneapolis Office to Texas to search for collateral and members of his staff in Minneapolis began telephoning their accounts in an effort to verify their transactions. They did this by calling customers of Lubbock and Superior and it soon developed that BILLIE SOL ESTES was in back of using various wealthy cotton farmers and oil men in Texas to sign documents for purchase of tanks and ESTES paid them a commission for their services. reported that entirely laside from the fraud perpetrated on the finance companies which money run as high as twenty five million dollars ESTES apparently is File # Minneapolis 87-7949 4/13/62 Minneapolis, Minnesota 4/16/62 SA(A) RICHARD N. PETERSON/sr Date dictated

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involved in a three way battle between large fertilizer companies who are battling for control of the market in southwest Texas. Commercial Solvents Corporation of New York Armour and Company in Chicago and Grace Chemical · Company of Memphis, Tennessee are all trying to become the predominant firm in supplying liquid fertilizer to Texas cotton farmers. BILLIE SOL ESTES apparently has been on the side of Commercial Solvent and it is reported that ESTES boasted that he would make Commercial Solvents the "top dog' in the fertilizer business in Texas. Commercial Solvents have gone along with ESTES in this promotion and have advanced in over four and one-half million dollars in the past few years. As recently as March 1, 1962, Commercial Solvents sent SOL ESTES \$400,000.00.

Apparently in the operation, ESTES is selling fertilizer at a loss and although Commercial Solvent is aware of this they are unconcerned because they have taken chattel mortgages on all of ESTES grain storage facilities and also have an assignment on the grain storage proceeds that ESTES has with the Commodity Credit Corporation. Accord-ESTES apparently has developed a fabulous operation in Texas in winning the farmers over to his side. He is a lav preacher and has developed a "folksy" homespun reputation with his customers in Texas. In addition, ESTES owns a newspaper in Pecos and has a fabulous undertaking business, both of which he uses to implement his reputation and develop good will among the farmers in this area. Apparently ESTES in selling fertilizer below cost and in affording cheap funerals has gained control of a large part of the grain movement in Texas. ESTES owns grain elevators that have capacity of fifty million bushels and is able to keep storage facilities at near capacity through his connections with the Department of Agriculture, his promotion of fertilizer sales and through heavy donations to the Democratic Party.

stated that most of his information came from the meeting at Dallas, Texas on March 27, 1948 at the Merchandise Building where FRANK CAIN of the firm of Irion Cain, Cocke and McGee had told the meeting of his investigation and most of which consisted of interviews with BILLIE SOL ESTES and COLEMAN McSPADDEN. stated that apparently ESTES had operated at the Superior Manufacturing Company in Amarillo

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through RUEL ALEXANDER and HAROLD ORR and had induced them to finance paper through various finance companies without the knowledge of ROBERT F. CLEMENTS, who was then owner. It appears that after Superior became involved with finance companies that ESTES induced COLEMAN McSPADDEN to buy out CLEMENTS and it is likely that part of the financing that they used to purchase Superior was created in a scheme between ESTES, McSPADDEN and others to defraud the finance companies. According to McSPADDEN and ESTES later had a falling out and that mesPADDEN continued perpetrating fraudulent loans on finance companies copied after the ESTES plan. COLEMAN was apparently backed by Armour and Company in his operations just as ESTES was backed by Commercial Solvents.

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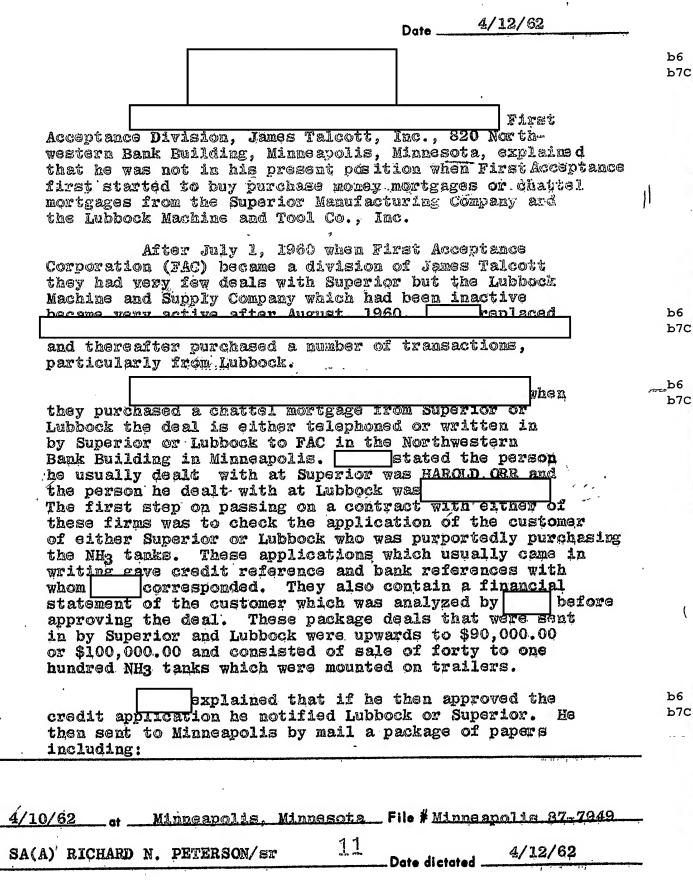
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at Lubbock, Texas, had information concerning this matter and had obtained copies of the mortgages and assignments that ESTES had given to Commercial Solvents Company.

companies are still at a loss as to know what to do in this matter. They have rejected the plan that COLEMAN McSPADDEN and BILLIE SOL ESTES and T, A. ROGERS of Lubbock tendered to the March 27th meeting. This plan merely consisted of an offer to pay off the amounts owed the finance companies over a period of many years standing.

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- 1. Promissory note for the time price differential.
- 2. Purchase Money motion or chattel mortgage
- 3. A delivery and acceptance certificate signed by the purchaser acknowledging that he had purchased and received delivery of the equipment.
- 4. Filing evidence that the chattel mortgage had been recorded in the appropriate county in Texas.

After these papers were examined Lubbock or Superior were then sent a check for the amount of the note less discount.

The whole financial arrangement with Lubbock and Superior are covered by separate underlying agreements with each of these firms.

explained that in addition to the independent contacts they had with customers of Superior and Lubbock through checking their credit and bank references they made direct—verification by phone. Many of these verifications were not made until after that purchase had been approved and remittance had been sent to either Superior or Lubbock. The customer was notified by mail that FAC had purchased the chattel mortgage and the customer was sent a coupon book and instructed as to the terms of the contract and the dates and place where he should remit his installment payments.

explained that when verification was made by telephone he personally called the customer to verify that the customer had received delivery of equipment and the customer was then questioned concerning the amount of the down payment and the amount of each installment payment and he was then informed that he would receive a coupon book in the mail shortly.

No physical inspection of equipment was ever made on any deal purchased from Superior or Lubbock.

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4/12/62

Dave

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				First /	b6 b70
Acceptance	Division, Jan	nes Talcott,	Inc., 820 N	Vorthwestern	B/C
Bank Buildi	ng, explained	i that for m	any years he	was account	
	ith First Acc				
	at it was a d	livision of	James Talcot	t. On July 1.	
1960. FAC					
	explained	i that FAC w	as one of th	e two finance	b6
companies i	n the nationa				b70
	ng of propane				
	he manufactur				
they assist	ed these manu	ıfacturers i	n the LPG fi	leld in	
financing d	lomestic, stor	rage, delive	ry units and	l transports	w. NIS
of LPG unit	·S.			17 A 1 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1	den ta
т	he Superior 1	fanisfacturin	o Company un	der Mr. Bolyman of LPG FAC. ROBERT	res te-
ROBERT E	Lements was a	aleadine ma	mufacturer o	of I.PG	
units in th	is area and h	ad been a c	ustomer of F	FAC. ROBERT	· · · · · · · · · · · · · · · · · · ·
CLEMENTS as	President di	ld considera	idie dusiness	S WATA	Do
in the fina	incing of thes	se propane u	nits. P. E	Stemen's	b70
	nasmuch as ar				
	opane, Superio				
	anhydrous amm			th propane and	
NH2 units.				int executive	b 6
a.a	COLD ORR becan				b70
	it. During t				
business re	lation was no	ormal and ap	peared to be	legitimate.	
				deals involving	
	mmonia tanks				
				I FAC a number	
	an packages i				
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Date dictated ...

4/12/62

variety of customers and they therefore have a limit that they will purchase involving sales to any one individual.

further stated that BILLIE SOL ESTES' financial statements could not be verified. The figures in the financial statements were net asset figures, and therefore the liabilities owing by ESTES were not given. It was felt that ESTES was not a good credit risk.

Later in 1960 a group headed by COLEMAN MCSPADDEN, HAROLD ORR and others purchased Superior.

stated that FAC continued to do business with
Superior until they reached a certain limit and FAC asked for a certified statement. HAROLD ORR and COLEMAN McSPADDEN flew to Minneapolis and had a conference with FAC at which time they explained that McSPADDEN had purchased Superior from Clement and that a financial statement would be forthcoming. McSPADDEN and ORR had a large loan package involving some \$250,000.00 that they wanted FAC to purchase. When the financial statement was not forthcoming, FAC stopped doing business with Superior.

In regard to their business with Lubbock Machine and Supply Company, explained that prior to 1960 FAC had only one deal with Lubbock. This was purchased in 1955 and finally paid out in 1961. This involved financing propane tanks. In 1960 Lubbock approached FAC and stated they were engaged in the anhydrous ammonia tank business and had sold a number of units to some solid citizens in their area and they wanted FAC financing. stated that he looked over the packages they submitted and he approved three or four deals but the rest were all handled by

dealt with at Lubbock. would telephone or mail up applications setting up the various deals. stated that as a routine procedure he checked the credit applications of the customers, analyzed their statements and corresponded with their credit references. Most all of these proposals set up by Lubbock were financed over a five year period. When the deal with Lubbock was approved, Lubbock transmitted by mail various documents to FAC Headquarters in Minneapolis. These included:

- 1. Chattel mortgage or purchase money order
- 2. Promissory Note

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3. Delivery and Acceptance Receipt
stated that after approving the papers
that were transmitted by Lubbock they then notified the
customer by mail that FAC had purchased the contract from
Lubbock and notified them where to make their payments
and sent them a coupon book and statement of the contract
as it had been received from Lubbock.
was noon took took train Hannous.
The same routine procedure in approving loan
packages had been followed with Superior.
Together was wareaster strain states
stated that in all the time that he and other
personnel OT FAC had been doing business with Superior and
Lubbock they knew nothing about any lease agreements that
BILLIE SOL ESTES had with the customers of Superior and
Lubbock. They had no idea that BILLIE SOL ESTES was in any
way connected with either Superior or Lubbock with the ex-
ception that they had purchased three deals from Superior
which originally indicated that Superior had sold ESTES a
number of NH3 tanks.
remocr er 11170 .
stated that he, himself, had never visited
either Lubbock or Amarillo, Texas and had no personal
dealings with any of the employees of Superior or Lubbock,
that he had no contact with BILLIE SOL ESTES and that all
this business was done over the telephone or by mail between
Minneapolis and Texas.

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Inc., 820 Northwestern National Bank Building, Minn stated that as a result of the public expose he was his firm to go to Texas and contact the customers of Superior in an effort to verify the existence of the that his company had accepted in purchased contract	ordered by f Lubbock and e collateral s reflecting
Inc., 820 Northwestern National Bank Building, Minn stated that as a result of the public expose he was his firm to go to Texas and contact the customers of Superior in an effort to verify the existence of the	eapolis, ordered by f Lubbock and e collateral s reflecting
stated that as a result of the public expose he was his firm to go to Texas and contact the customers of Superior in an effort to verify the existence of the	eapolis, ordered by f Lubbock and e collateral s reflecting
stated that as a result of the public expose he was his firm to go to Texas and contact the customers of Superior in an effort to verify the existence of the	ordered by f Lubbock and e collateral s reflecting
his firm to go to Texas and contact the customers of Superior in an effort to verify the existence of the	f Lubbock and e collateral s reflecting
Superior in an effort to verify the existence of the	e collateral s reflecting
	s reflecting
that his commany had accepted in nurchased contract	s reflecting stomers of
size o man composity mad accepted an parameter construct	stomers. OI
sales of anydrous ammonia tanks and equipment to cu	1.1 J
Superior and Lubbock stated they had felt	
majority of their contracts are apparently fraudule	nt. He stated
it appears that BILLIE SOL ESTES had lease back agr	eements with
practically all of them. One or two customers deni	ed that they
executed any documents and claimed forgery.	
was recently in Texas between Apr	il 3 and
April 8, 1902 and stated that he did not attempt to	contact
BILLIE SOL ESTES, GLENN ALEXANDER or any of the pri	ncinals in
volved in this case. Included among the individual	s interviewed
by are:	
Texas	
Lubbock sold FAC a contract in which they	<u>rep</u> ort a sale
to of 100 - 1,000 gallon NH3 tanks mounted.	executed a
promissory note and chattel mortgage dated October	10, 1960 in
the amount of \$70,526.40.	
TAG nomitted to Inhbook a check for \$54.5	57 08 on
FAC remitted to Lubbock a check for \$54,2 October 13, 1960.	31.03 On
states that he interviewed	t his residence
Texas and admit	ted that he
did sign the chattel mortgage, promissory note, del	ivery and
acceptance certificates in one contract with Superi	or and in one
contract with Lubbock. that he r	ever saw the
tanks but about a year ago he began to question the	existence
of them and he asked BILLIE SOL ESTES where they we	
SOL ESTES stated "here and there". claims that	t he has a
lease back agreement with BILLIE SOL ESTES on this	equipment
and that as consideration for signing the notes to	Superior and
Lubbock, received a 10 per cent credit on fert	ilizer he
purchased from SOL ESTES.	
On 4/10/62 of Minneapolis, Minnesota File # Minne	apolis 87-7949
VII V	
by Special Agent RICHARD N. PETERSON(A)/dmh Date dictated	4/13/62
byDate dictated	

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Texas	b6
interviewed	b70
rexas.	
FAC purchased from Superior a contract reflecting the sale of 45 solution tanks on May 10, 1960 and remitted a check to Superior in the amount of \$23, 140.80.	ъ6 ъ70
Texa	ь6 ь70
interviewed Texas. T	b6 b70
stated that at the time he executed the documents BILLIE SOL ESTES cave a lease agreement covering the equipment but could not locate it when was interviewing him in Texas.	ь6 b70
Texas interviewed Texas, Texas, packages between Lubbock Machine and Supply and FAC. The first of these packages is dated November 8, 1960 and recite that	b6 b70

had purchased 48 - 1,000 gallon NH3 mounted tanks from Lubbock. The second is dated December 9, 1960 and stated that ad purchased 71 - 1,000 gallon NH3 tanks from Lubbock. tated that told him that he had never seen the tanks and that he signed the promissory notes and chattel mortgages for BILLIE SOL ESTES because SOL ESTES had a lease back agreement covering this equipment with and agreed to give a 10 per cent credit on fertilizer purchased from SOL ESTES as consideration for signing the papers. claims that his agreement with SOL ESTES is a written lease but he did not show the lease to claims that at one time he asked SOL ESTES where the tanks were located and claims that SOL ESTES showed him some tanks but was unable to identify the present location of these tanks
Texas
interviewed W Worsham Enterprise, 1600 West Sixth Street, Pecos, Texas. was interviewed at the Lazy L Cafe on April 5, 1962. Executed an affidavit for admits that he signed the documents in the loan package and that his signature on the chattel mortgage and note is genuine. stated he received a 10 per cent of the purchase price in cash from BILLIE SOL ESTES for signing these papers and he had a lease back agreement with SOL ESTES covering the equipment. also admitted that he had never seen the tanks and he has no idea where they are.
Records of the FAC Company show that executed a chattel mortgage on October 19, 1960 covering 168 - 1,000 gallon NH ₃ mounted tanks, and signed a promissory note in the amount of \$119,600.40 on the same date. On October 21, 1960, FAC remitted to Lubbock their check for \$92,000.
Texas
interviewed Texas on April 4, 1962. purchased the anhydrous ammonia tanks and perieved they were in existence. He stated that he signed the loan documents for

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MP.87-7949

received a 10 per cent credit on fertilizer purchases he made from BILLIE SOL ESTES for signing the loan documents.

claims he had an oral lease back agreement with BILLIE SOL ESTES covering this equipment.

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Records of the FAC Company reflect that had signed a promissory note and chattel mortgages on December 3, 1960 covering 81 - 1,000 gallon NH₃ tanks mounted. The amount of the promissory note was \$57,200.40 and FAC remitted to Lubbock their check for \$44,000 on December 9, 1960 on this transaction.

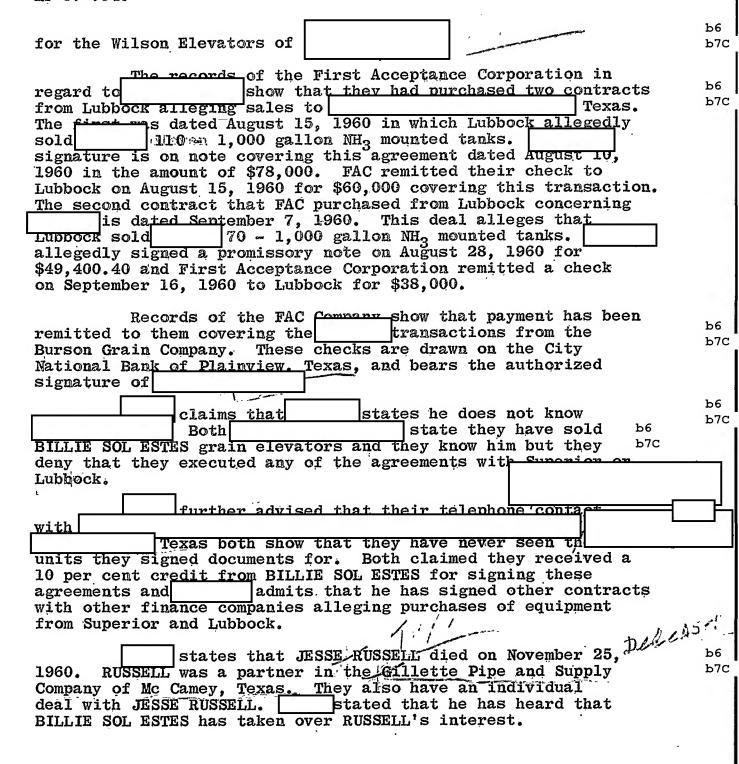
19

EDERAL BUREAU OF INVESTIGATION

Date April 16, 1962

Date ADILI 10, 1304	
	b 6
James Talcott, Inc., advised on April 12, 1962 that he and other officers of the First Acceptance Division had telephone conversations with customers of Superior and Lubbock following the public expose of BILLIE SOL ESTES' Texas Empire. On March 19, 1962 they telephoned C.D. MC SPADDEN, doing business as Associated Growers of Hereford. MC SPADDEN explained in this telephone conversation that he had in his possession all the tanks that he had purchased from Superior and that they were located in Deaf Smith, Castro, Parmer, and Oldham counties in Texas. MC SPADDEN stated that shortly after he purchased these tanks he became president of Superior Manufacturing.	ь7c
On March 20, 1962 in a telephone call to Wheeler	
Fertilizer Company, Hereford, Texas, FAC was advised by Someone there that BILLIE SOL ESTES had all the equipment that was listed	
in Wheeler's chattels with Superior. Wheeler had signed two	
chattel mortgages with First Acceptance Division on January 8, 1960 and January 31, 1960.	b 6
and promissory notes for the company The collateral specified in these two agreements included in the first, 21 -	b7C
1,000 gallon NH2 tanks, two compressors, three applicators and	
25 - 500 gallon acid tanks. The promissory notes were in the amount \$16,978.50 and \$35,429.63 respectively.	
	b 6
with stated that they attempted to verify contracts	b7C
Texas. They have letters from both of these persons who state	
that they never signed any loan documents and have never authorized anyone to sign any notes or contracts for them.	7
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Records of FAC show that on May 2, 1960, Texas had signed a chattel mortgage and	
promissory note, delivery and acceptance receipt reflecting that	
he had purchased eighteen 12,400 gallon NH ₃ storage tanks with compressors and piping. The amount of the note purportedly	- 1449
signed by was \$126,225. On May 6, 1960 FAC remitted to	
Superior a check for \$102,000. Records of the FAC show that they have been receiving checks in payment of the account	
drawn on the Wilson Elevator account at the City National Bank of	
Plainview, Texas. These checks bear the authorized signature	
	-
On 4/12/62 of Minneapolis, Minnesota File # Minneapolis 87-7949	page
L. Special Agent RICHARD N DETERSON(A)/dmh Data distated 4/13/62	

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states that the following are past due and delinquent accounts:

Account with Superior Manufacturing Co. Inc.

Customer	Date Past Due	Amount Past Due
GLENN ALEXANDER GLENN ALEXANDER	3/15/62 3/25/62	\$ 541.68 524.45
BILLIE SOL ESTES BILLIE SOL ESTES BILLIE SOL ESTES	3/30/62 3/30/62 3/15/62	396.08 450.52 744.07
Gillette Pipe and Supply Co.	3/15/62	. 789.38
Laurence Company, Willcox, Arizona	January February March	95.66 95.66 95.66
Lester-Stone Co. Lester-Stone Co. Lester-Stone Co. Lester-Stone Co. Lester-Stone Co.	3/16/62 3/27/62 3/10/62 3/25/62 3/25/62	568.35 457.31 611.79 910.95 922.25
COLEMAN D. MC SPADDEN	3/6/62	1,546.60
Wheeler Fertilizer Co. Wheeler Fertilizer Co.	3/30/62 3/10/62	282.98 602.31
·	3/15/62	2,776.95
Account with Lubbock Machine and	Supply Co.,	Inc.
	3/15/62 3/15/62	1,938.00 568.54
	3/15/62	934.92
	3/15/62 3/15/62	1,300.00 824.30

MP 87-7949

Customer	Date Amount Past Due Past Due
	3/15/62 \$2,058.34
	3/15/62 487.50
/	3/15/62 1,386.67
	3/15/62 563.34 3/15/62 715.00
TESSE DIISSELL	3/15/62 931 67

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Date <u>April 13, 1962</u>

Superior Manufacturing Company

The basic agreement by which the First Acceptance Corporation and later the James Talcott Company, Inc. did business with the Superior Manufacturing Co. Inc. is set forth in the contract dated July 1, 1958 between First Acceptance Corporation and Superior Manufacturing Company. This agreement states that from time to time FAC agrees to buy from Superior conditional sales contracts and chattel mortgages & rising out of the sale of various products and equipment delivered and accepted by customers of Superior. FAC agreed to pay to Superior the full unpaid balance of such financial paper, less discount or finance charge mutually agreed upon. This contract was renewed between James Talcott, Inc. and Superior effective October 1, 1960.

The Superior Manufacturing Company in early dealings with FAC was owned by ROBERT E. CLEMENTS who was president of the company. On April 28, 1960, Superior was sold to COLEMAN S. MC SPADDEN, HAROLD E. ORR, and RUEL W. ALEXANDER. Superior Manufacturing Company was thereafter dissolved and its assets and liabilities were assumed by a new corporation chartered under the laws of Texas; namely, the Superior Tank Company. The name of the Superior Tank Company was thereafter changed to Superior Manufacturing Co. Inc.

A record of the chattel mortgages and conditional sales contracts that FAC purchased from Superior are shown as follows:

SUPERIOR MANUFACTURING CO. INC. - AMARILLO, TEXAS

Purchaser	Date Purch'd	Original Balance	Present Balance	
Billie Sol Estes Enter.	7/2/58	\$ 35,647.50	\$ 3,960.74	
Billie Sol Estes Enter.	7/2/58	40,547.50	4,505.30	
Billie Sol Estes Enter.	6/13/60	26,786.52	11,905.12	
Glenn, Alexander	5/13/59	32,500.80	14,625.36	
Glenn Alexander	8/29/60	18,880.20	6,817.85	
Associated Gas, Inc.	2/5/62	2,230.20	2,168.25	

On 4/11,12/62 of Minneapolis, Minnesota File # Minneapolis 87-7949

by Special Agent RICHARD N. PETERSON(A)/dmh Date dictated 4/13/62

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	Purchaser	Date Purch'd	Original Balance	Present Balance
	The Chandler Co.	6/20/60	\$ 63,961.20	\$41,574.78
A Part of the same	Seminole Farm Supply & Serv.	2/29/60	29,900.40	17,940.24
	Dick's Propane-Service	4/11/60	8,112.60	5,137.98
	Dick's Propane Service	4/25/60	8,926.20	5,633.26
	Dick's Propane Service	10/10/60	8,812.80	6,462.72
	Gilette Pipe & Supply Co.	5/23/60	47,362.80	30,785.82
		5/10/60	44,617.20	28,257.56
	Laurence Company	6/13/60	3,443.76	1,721.88
	Lester Stone Co.	8/26/58	14,823.00	4,199.85
	Lester Stone Co.	3/17/59	27,280.80	7,388.55
	Lester Stone Co.	3/20/59	21,950.88	5,945.03
	Lester Stone Co.	3/30/59	29,365.92	8,565.06
	Lester Stone Co.	3/18/60	36,437.80	11,550.67
	Lester Stone Co.	3/29/60	36,890.00	11,694.13
	Littleton Gas & App.			
/	Co., Inc.	12/22/61	3,712.50	3,465.00
	C. D. McSpadden	-4/-25/60	92,796.00	58,770.80
	.Three-Way Chemical Co.	6/7/60	22,750.20	14,787.63
	Wheeler Fertilizer Co.	1/11/60	16,987.50	6,508.48
	Wheeler Fertilizer Co.	2/3/60	35,429.63	14,171.51
		5/9/60	126,225.00	58,824.45
		5/10/60	23,140.80	14,655.84
		TOTALS:	\$859,519.71	\$402,023.86

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The first contract that FAC purchased from Superior subject to a chattel mortgage dated June 26, 1958 the mortgagor being Billie Solvestes Enterprises. This document covers collateral/specified as two 6,000 gallon NH3 tanks, two Clark applicators, and 38 - 1,000 gallon NH3 tank trailers. SOL ESTES executed a promissory note totaling \$35,647.60 covering this transaction and signed a delivery receipt and acceptance agreement as evidence that he had received satisfactory delivery on this equipment. SOL ESTES acknowledged his account in a letter on February 28, 1962. His acknowledgement is in response to a verification request by the James Talcott, Inc. dated February 8, 1962.

The second contract that FAC purchased from Superior in the name of Billie Sol Estes Enterprises was also disclosed in a chattel mortgage dated June 26, 1958. The collateral specified in this chattel mortgage include two 18,000 gallon ammonia tanks and 39 - 1,000 gallon NH₃ trailer tanks. BILLIE SOL ESTES, owner, executed a promissory note under the terms of this contract also dated June 26, 1958 in the amount of \$40,547.50.

First Acceptance Corporation remitted to Superior Manufacturing Company their check for \$62,200 covering the face amount of the above two notes of BILLIE SOL ESTES less discount charges.

The third contract that FAC purchased from Superior in the name of Billie Sol Estes Enterprises is dated June 10, 1960. The collateral covered by this contract is identified in chattel mortgage dated June 10, 1960 covering three 30,000 gallon NH₃ storage tanks. BILLIE SOL ESTES executed a promissory note dated June 10, 1960 in the amount of \$26,786.52. First Acceptance Corporation remitted to Superior on June 13, 1960 a check for \$22,700.21 for the purchase of this contract less discount charges.

FAC had a number of contracts that they purchased from the tester-Stone Company. This firm originally was a with the business at 410 East Sixth Street in Plainview County, Texas.

business at 410 East Sixth Street in Plainview County, Texas. Vester-Stone Company had originally purchased the business from

obligations to the FAC

as a general partnership between and BILLIE SOL ESTES. In view of SOL ESTES' association with this firm, pertinent papers and the loan packages with the Lester-Stone Company were obtained.

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FAC purchased two contracts from Superior reflecting sales of equipment to GLENN ALEXANDER, Pecos, Texas. of these contracts is reflected in a chattel mortgage dated May 7, 1959 that was executed by GLENN ALEXANDER as owner. collateral specified in the chattel mortgage included eight 500 gallon rubber-lined phosphoric acid tanks mounted on trailers and 35 - 1,000 gallon NH3 tanks mounted on trailers. ALEXANDER signed one promissory note dated May 7, 1959 in the amount of \$32,500.80. On May 13, 1959 FAC remitted to Superior a check for \$25,243.34 which represents the face of the promissory note less discount. The second contract that FAC purchased from Superior in the name of GLENN ALEXANDER is subject to chattel The collateral specified in this mortgage dated March 25, 1960. chattel mortgage is twenty 1,000 gallon NH3 tanks mounted on trailers. ALEXANDER signed a promissory note on March 25, 1960 for \$18,880.20. FAC remitted to Superior a check for \$16,000 on March 29, 1960 representing the face amount of the ALEXANDER note less discount.

FAC purchased one contract from Superior reflecting sale of equipment to COLEMAN D. MC SPADDEN. Chattel mortgage executed by MC SPADDEN covering this transaction was dated April 22, 1960 and identifies the collateral as 77 - 500 gallon NH3 tanks mounted on trailers and 57 - 1,000 gallon NH3 tanks mounted on trailers. COLEMAN D. MC SPADDEN executed a promissory note on April 22, 1960 in the amount of \$92,796. FAC remitted a check to Superior on April 25, 1960 in the amount of \$71,380 representing the face amount of the promissory note less discount.

The financing that First Acceptance Division of James Talcott, Inc. handled with the Lubbock Machine and Supply Co., Inc. is subject to an agreement the first of which is dated December 6, 1956. Under this agreement, FAC from time to time purchased conditional sales contracts, chattel mortgages, arising out of the sale of various products and equipment by Lubbock which had been delivered and accepted by customers of Lubbock. Finance paper purchased under this agreement was to be paid at the full balance due less a discount or finance chargemitually agreed upon. The original agreement between FAC and Lubbock was signed by T. A. ROGERS as president of Lubbock Machine and Supply Company. This contract has been renewed, the latest renewal was on October 1, 1960. The finance paper purchased by FAC from Lubbock is summarized as follows:

MP 87-7949

Purchaser	Date Purch'd	Original Balance	Present Balance	
	8/17/60 9/12/60	\$ 88,068.00 34,112.40	\$ 48,786.00 23,878.68	b b
•	10/10/60	56,095.20	41,136.40	·
	8/15/60 9/16/60	78,000.00 49,400.00	54,600.00 34,580.28	
	10//10/60	123,500.40	90,566.96	
	10/10/60	29,250.00	21,450.00	
	8/15/60	83,200.20	58,240.14	
	10/14/60	70,526.14	51,719.36	
	11/9/60 12/9/60	33,800.40 42,900.00	25,350.30 32,890.00	
Jesse Russell (Deceased)	9/7/60	55,900.20	39,130.14	
	11/1/60 12/9/60	15,600.00 57,200.40	11,440.00 43,853.64	
W. J. Worsham Enter.	10/21/60	119,600.40	87,706.96	
	TOTALS	\$937,153.74	\$665,328.86	•

The collateral specified in this chattel mortgage is 41 - 1,000 gallon NH₃ tanks mounted on trailers. Executed a promissory note dated October 5, 1960 in the amount of \$29,250 and on October 10, 1960 FAC remitted to Lubbock their check for \$22,500 representing the proceeds of the promissory note less discount.

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Copies of the loan packages of all specified documents above purchased by FAC from Superior and Lubbock together with a loan package of the Gillette Pipe and Supply Company of Mc Camey, Texas.

Generally where available these loan packages consist of the chattel mortgage, delivery and acceptance receipt, promissory note, evidence of filing of the chattel mortgage, a copy of the check remitted by FAC to Lubbock and/or Superior and other documents including written verifications of contracts when available.

FEDERAL BUREAU OF INVESTIGATION

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				· `	Date	5/1/62		b6
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Corporat	ion. 120	Jartford	Building,					
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A Company of the Comp				· · · · · · · · · · · · · · · · · · ·	File #	EP 29-3	51	
on <u>4/27</u>			Texas		Date di	ctated <u>4/</u> 2	7/62	
by Special		NING C. C EPH J. HA	LEMENTS NLEY /skv	' - 30				

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time would like for to come to work for them in view of his experience. ORR stated that he had understood had on occasions looked for other employment, that he, ORR, was afraid might accept some other employment, and accordingly, Superior felt they should compensate if he would stay on with C. I. T. until they needed his services.	b6 b7
said he told ORR (who carried most of the conversation) and ALEXANDER, that compensation was not necessary, that he expected to stay on with C. I. T. and that if he should accept anything from them they would, in turn, no doubt expect favors. He said ORR was quick to state they would not ask any favors, that they would expect to carry on his duties with C. T. T. as usual. ORR said they felt they should give	b6 b7
with C. I. T. as usual. ORR said they felt they should give \$400 per month to "substing salary until went to work for them. said he again stated he did not want this pay.	
ORR asked what kind of car drove. told him he drives "an old beat-up M-G". ORR asked "How would you like to drive a Cadillac?" said he laughed, taking the matter as a joke, and remarked "Who Wouldn't?" Nothing further was said relative to the Cadillac.	b6 b7
ORR told arrangements had been made for to take a trip to Las Vegas, Nevada. said he told ORR he could not take such a trip and the matter was dropped. He said ORR them stated something to the effect that "Old JIM TURIFF thinks he's got the wool pulled over our eyes". ORR continued with "How do you think he drives a Cadillac and has a Thunderbird? How do you think he got his house redecorated and	ь6 Ь7
does the things he does?" stated he interpreted these remarks of ORR as an intention on ORR's part to lead to believe TURRIFF, a superior of in C I. T., was receiving a "pay-off" from ORR and ALEXANDER. said he told them he "didn't know such things existed", referring to TURRIFF. Ames ORR repeated his statement that they would like to "subsidize" salary with \$400 per month. assured them he had been with C. I. T. for a long period and was happy in his job. JAMOS ARSTINATIONALLY AMES	ь6 ь7
said the conversations continued, there were more drinks, and the time arrived when he would have to leave in order to get back to Dallas by midnight and go to 3521-18212 DRIVE DALLAS TEXAS BURN-12-26-14 FRANCIS OKLA.	b6 b7
BORN-12-26-14 FRANCIS OKLA.	
SOCIAL DECULATION 31	;

DL 29-1096

work the next day. ORR called his pilot who reportedly claimed the "weather had closed in", that they would not be able to fly
back to Dallas and that commercial airline schedules had
peen cancelled. ORR also told la check of buses revealed
none which would get him to Dallas in time for work the next day.
ORR at this point told to "take that Oldsmobile there",
pointing to a car belonging to ORR and/or ALEXANDER. said
he told them he would have no way of getting the car back to them
from Dallas, whereupon, ORR said "Just keep it." said he did not agree to this arrangement and the final outcome was that
ORF back to Dallas in the
Oldsmobile.
said he was aware that just before he got in
the car to go to Dallas ORR put an envelope in nocket.
said he presumed at the time ORR was reimbursing
for his plane ticket to Amarillo and he paid no attention to
the envelope until he arrived in Dallas the next morning and went to his own apartment preparatory to going to work. On
opening the envelope, he found it to contain \$400.
said he was dumfounded at the discovery, and
was very much concerned as to what action he should take. He
said he put the money away and for several days wondered to whom
he should go, whom he should talk to. He said ORR's inferences
that TURRIFF, superior was getting a "pay-off" worried
him, as did fellow employee activities, and he wondered
whether his story would be believed. The possibility of being fired from his job was considered. He said he eventually went to
He said he eventually went to
Dallas Office, and related the above facts to him letated that so far as he knows, it
was his report to who in turn reported the matter
to his superiors, which triggered investigation by C. T. T. into
all aspects of their account with Superior Manufacturing Company

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FEDERAL BUREAU OF INVESTIGATION

Date
On April 27, 1962, interviewed at the offices of CIT Corporation. 12th Floor. Hartford Building.
New York, New York.
was requested to furnish copies of all b sales contracts (chattel mortgages) held by that company, executed b
in favor of Superior Manufacturing Company, Amarillo, Texas, prior
to May, 1960, up to which time the latter concern had reportedl been owned by ROBERT E. CLEMENTS. He was further requested to
furnish conjected and description of transactions draw
in the names of pavis Propane Dick's Propane, pr
name of Texas, regardless of date.
5ekn
On May 1. 1962. — in the presence of CIT; Dallas, Turnished
copies of the following described documents which bear the signature of CLEMENTS as President, Superior Manufacturing Company:
BILLIE SOL ESTES ENTERPRISES - Superior Manufacturing Company - Account No. 1345-20, Chattel Mortgage dated September 20, 1957.
BILLIE SOL ESTES ENTERPRISES - Superior Manufacturing Company - Account No. 1469, Chattel Mortgage dated December 5, 1957.
BILLIE SOL ESTES ENTERPRISES - Superior Manufacturing Company - Account No. 1629-16, Chattel Mortgage dated January 21, 1958, Assignment to be Signed by Seller-Assignor dated January 24, 1958, Negotiable Promissory Note dated January 21, 1958, and Filing Evidence dated January 28, 1958, in Reeves County, Texas.
BILLIE SOLVESTES ENTERPRISES - Superior Manufacturing Company - Account No. 2516-20, Chattel Mortgage dated January 10, 1959, Without Recourse Seller's Assignment dated January 10, 1959, Filing Evidence dated January 23, 1959, in Reeves County, Texas.
· · · · · · · · · · · · · · · · · · ·
DL 29-1096
On 4/27; 5/1/62 _{ot} Dallas, Texas File # EP 29-351
SAS MANNING C. CLEMENTS and
by ROBERT P. GEMBERLING/pm 33 Date dictated 5/2/62
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- BILLIE SOL ESTES ENTERPRISES Superior Manufacturing Company Account No. 4183-10, Chattel Mortgage dated March 31, 1960, Note for \$263,375.00, Without Recourse Seller's Assignment dated March 31, 1960, Assignment to be Signed by Seller-Assignor dated April 6, 1960, Filing Evidence dated April 2, 1960, in Reeves County, Texas.
- LESTER STONE COMPANY Superior Manufacturing Company Account No. 2529-1, Chattel Mortgage dated January 19, 1959, Without Recourse Seller's Assignment dated January 21, 1959, Filing Evidence dated January 27, 1959, in Hale County, Texas.
- LESTER STONE COMPANY Superior Manufacturing Company Account No. 2662-16, Chattel Mortgage dated March 16,
 1959, Without Recourse Seller's Assignment, Filing
 Evidence dated March 18, 1959, covering Tanks, Trailers,
 etc. in Hale County and Filing Evidence dated March 18,
 1959, in Hale County covering Compressors, trailers,
 applicators storage tanks.
- LESTER STONE COMPANY Superior Manufacturing Company Account 3508-20, Chattel Mortgage dated October 8, 1959, in the amount of \$37,975.00.
- GLENN ALEXANDER Superior Manufacturing Company Account No. 2530-1, Without Recourse Seller's Assignment dated January 21, 1959, Chattel Mortgage dated January 21, 1959, and filing evidence in Reeves County, Texas, dated January 23, 1959.
- Account No. 3866-20, Chattel Mortgage dated January 20, 1960, Without Recourse Seller's Assignment dated January 20, 1960, in Cottle County, Texas.

GILLETTE PIPE AND SUPPLY COMPANY - Superior Manufacturing Company Account No. 3846-20, Chattel Mortgage dated January 11, 1960, Without Recourse Seller's Assignment dated January 11, 1960, Filing Evidence dated February 3, 1960, in Upton County, Texas, and Filing Evidence dated January 21, 1960, in Winkler County, Texas.

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JESSE RUSSELI

PIPE AND SUPPLY COMPANY - Superior Manufacturing Company Account No. 4160-28, Chattel Mortgage dated March 28,
1960, Guaranty dated March 28, 1960, Without Recourse
Seller's Assignment, Filing Evidence under the name of
dated March 29, 1960, in Upton County,
Texas, and Filing Evidence dated March 29, 1960, in Upton
County, Texas, under the name of JESSE RUSSELL and also
Filing Evidence in Upton County under the name of
Gillette Pipe and Supply Company.

JIM GUEST AERIAL APPLICATION - Superior Manufacturing Company Account No. 2576-10, Chattel Mortgage dated February 4,
1959, Without Recourse Seller's Assignment dated February 4,
1959, and Filing Evidence dated February 11, 1959, in
Chaves County, New Mexico.

HARGIS OIL COMPANY - Superior Manufacturing Company - Account No. 2171-29, Chattel Mortgage dated August 29, 1958, Without Recourse Seller's Assignment dated August 29, 1958, and Filing Evidence dated September 2, 1958, in Hutchinson County, Texas.

RHEA FERTILIZER COMPANY, INC. - Superior Manufacturing Company - Account No. 2008, Chattel Mortgage dated July 2, 1958, Negotiable Promissory Note dated July 2, 1958, in the amount of \$2,551.70, Without Recourse Seller's Assignment, dated July 2, 1958, Filing Evidence in Parmer County, Texas, dated July 8, 1958.

RITE-WAY CHEMICAL COMPANY, INC. - Superior Manufacturing Company - Account No. 3907-10, Chattel Mortgage dated January 31, 1960, Without Recourse Seller's Assignment, (dated January 31, 1960), Filing Evidence dated

January 31, 1960, in Hockley County, Texas, Negotiable Promissory Note in the amount of \$45,050.85 dated January 31, 1960, Individual endorsements of

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Superior Manufacturing Company - Account No. 3876-20, Equipment Lease dated January 25, 1960, Filing Evidence dated January 25, 1960, in Randall County, Texas, Assignment of Lease Full Recourse dated January 25, 1960, Filing Evidence dated February 2, 1960, in Swisher County, Texas.

SOUTHWESTERN AGROCHEMICAL CORPORATION - Superior Manufacturing Company, Account 3128-16, Equipment Lease dated June 16, 1959, Assignment of Lease Full Recourse dated June 16, 1959, and Filing Evidence dated June 24, 1959, in Maricopa County, Arizona.

SOUTHWESTERN AGROCHEMICAL CORPORATION - Superior Manufacturing Company, Account No. 4009-15, Equipment Lease dated February 3, 1960, Assignment of Lease Full Recourse dated February 3, 1960, and Filing Evidence dated February 26, 1960, in Maricopa County, Arizona.

THREE WAY CHEMICAL COMPANY - Superior Manufacturing Company - Account No. 2010-10, Chattel Mortgage dated July 2, 1958, Without Recourse Seller's Assignment dated July 2, 1958, Negotiable Promissory Note dated July 2, 1958, in the amount of \$28,203.00, Filing Evidence in Parmer County dated July 14, 1958.

WHITE FARM SERVICE - Superior Manufacturing Company - Account
No. 3928-15, New Mexico Conditional Sale Contract dated
February 9, 1960, Filing Evidence dated February 12, 1960,
in Luna County, New Mexico, Without Recourse Seller's
Assignment dated February 9, 1960, Transfer Agreement
dated April 26, 1960, between White Farm Service and
Luna Farm Service

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- WALSH BUTANE AND PROPANE COMPANY Superior Manufacturing
 Company Account No. 1946-4, Chattel Mortgage dated
 June 4, 1958, Negotiable Promissory Note in the amount
 of \$3,257.50 dated June 4, 1958, Filing Evidence dated
 June 9, 1958, in Baca County, Colorado, Refiling
 Affidavit dated May 4, 1961, in Baca County, Colorado,
 Without Recourse Seller's Assignment dated June 4, 1958.
- MAR-GAS, INCORPORATED Superior Manufacturing Company Account No. 3835, Chattel Mortgage dated December 21,
 1959, Certificate of Title, Without Recourse Seller's
 Assignment dated December 21, 1959, and Filing Evidence
 dated March 10, 1960, in Alamosa County, Colorado.
- KEETH GAS COMPANY, INCORPORATED Superior Manufacturing Company Account No. 3771-1, New Mexico Conditional Sale Contract dated December 21, 1959.
 - KEETH GAS COMPANY, INCORPORATED Superior Manufacturing Company, Account No. 3875-23, Equipment Lease dated January 23, 1960.
 - THE CHANDLER COMPANY Superior Manufacturing Company Account No. 3847-20, Chattel Mortgage dated January 11, 1960.
 - BARRETT AND FRANCIS Superior Manufacturing Company Account No. 1904-17, Chattel Mortgage dated May 17, 1958, Without Recourse Seller's Assignment dated May 17, 1958, Filing Evidence dated May 22, 1958, in Swisher County, Texas.
 - FARM CHEMICAL COMPANY Superior Manufacturing Company Account No. 2636-10, Chattel Mortgage dated February 23,
 1959, Filing Evidence dated March 7, 1959, in Lamb
 County, Texas.
- BUCKNER BUTANE COMPANY Superior Manufacturing Company Account No. 3834, Chattel Mortgage dated January 9, 1960,
 Without Recourse Seller's Assignment dated January 9,
 1960, and Filing Evidence dated January 9, 1960, in
 Brewster County, Texas.

Copies of the following documents, signed by CLEMENTS as President. Superior Manufacturing Company, negotiated by were furnished:

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DICK'S PROPANE SERVICE - Superior Manufacturing Company - Account No. 5534R-1 - Account No. 2014, Chattel Mortgage dated July 10, 1958, Filing Evidence in Otero County, Colorado, dated September 15, 1960, Negotiable Promissory Note dated July 10, 1958, Without Recourse Seller's Assignment dated July 10, 1958.

Account No. 2258, Chattel Mortgage dated October 8, 1958, Without Recourse Seller's Assignment dated October 8, 1958, Filing Evidence in Otero, Colorado, dated September 15, 1960.

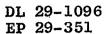
Account No. 2036, Chattel Mortgage dated July 18, 1958, Without Recourse Seller's Assignment dated July 18, 1958, Negotiable Promissory Note, Filing Evidence dated September 15, 1960, in Otero County, Colorado.

Account No. 4235, Chattel Mortgage dated April 23, 1960, Without Recourse Seller's Assignment dated April 23, 1960, and Filing Evidence dated April 27, 1960, in Otero County, Colorado.

Copies of the following, to which was a party, were signed by HAROLD E. ORR as Vice President for Superior Manufacturing Company:

Account No. 4830, Chattel Mortgage dated August 31, 1960, Without Recourse Seller's Assignment dated August 31, 1960, Filing Evidence dated September 1, 1960, in Otero County, Colorado.

Account No. 5119, Chattel Mortgage dated November 1, 1960, Without Recourse Seller's Assignment dated November 1, 1960, Delivery and Installation Certificate, and Filing Evidence dated November 4, 1960, in Otero County, Colorado.



Account No. 5534, Chattel Mortgage dated July 27, 1960, Promissory Note, Filing Evidence dated August 3, 1960, in Otero County, Colorado.

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It is observed all of the above counts, although given subnumbers, are considered by CIT as parts of account 5534R.

In addition to the above, furnished copies of the following which, it is noted, are dated in May, 1960, or subsequent thereto, and bear the signature of ORR as Vice President for Superior:

CLAUDE E. DAVIS - Superior Manufacturing Company - Account No. 4518-1, Chattel Mortgage dated June 17, 1960.

Superior Manufacturing Company - Account No. 4345-15, Chattel Mortgage dated May 6, 1960, Without Recourse Sollowia Acciennent dated May 6, 1960.

/Superior Manufacturing Company Account 4344-20, Chattel Mortgage dated May 6, 1960, in the amount of \$60,467.23.

Superior Manufacturing Company - Account No. 4496-15, Chattel Mortgage dated June 9, 1960, Without Recourse Seller's Assignment, Filing Evidence in Parmer County, Texas, dated June 14, 1960.

WHEELER FERTILIZER COMPANY - Superior Manufacturing Company Account No. 4495-15, Chattel Mortgage dated June 10,
1960, Without Recourse Seller's Assignment dated
June 10, 1960, Guaranty dated June 10, 1960, signed
by and Filing Evidence dated June 13,
1960, in Deal Smith County, Texas.

- Superior Manufacturing Company - Account No. 4316-15, Chattel Mortgage dated May 2, 1960, Without Recourse Seller's Assignment dated May 2, 1960, Filing Evidence dated May 4, 1960, in Wichita County, Texas,

Filing Evidence dated May 5, 1960, in Castro County, Texas, Filing Evidence dated May 2, 1960, in Bailey County, Texas, Filing Evidence dated May 4, 1960, in Oldham County, Texas, and Filing Evidence dated May 6, 1960, in Parmer County, Texas.

Superior Manufacturing Company, Inc. Account No. 4342-15, Chattel Mortgage dated May 6, 1960,
Without Recourse Seller's Assignment dated May 6, 1960,
and Filing Evidence dated May 10, 1960, in Reeves County,
Texas.

At the same time, furnished a copy of a list of documents dated March 30, 1962, which according to CIT records, had been furnished to FBI as of that date. It is observed certain of the chattel mortgages covered in the latter list were dated prior to May, 1960.

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FEDERAL BUREAU OF INVESTIGATION

Date April 10, 1962	
	b6
Commercial Financing Division, Pacific Finance Company, Los	b7C
Angeles, California, was contacted at the law offices of Irion,	
Cain, Cocke and McGee, Suite 830, Mercantile National Bank	
Building.	
Mbo numbers of this contest was to recover access to	
The purpose of this contact was to secure access to copies of conditional sales contracts and/or chattel mortgage	
notes in the possession of which instruments had been	b 6
discounted with Pacific Firmany by Superior Manufacturing	b7C
Company, Amarillo, Texas, (Superior). The instruments in question	
pertained to purported sales of anhydrous ammonia tanks and related	
equipment by Superior to various individuals and firms in the	
west Texas areaduring interview on March 28, 1962,	
advised that during a series of conferences with COLEMAN D. McSPADDEN and BILLIE SOL ESTES in February and March, 1962, the	
latter acknowledged that the majority of said contracts were	
fictitious and had been generated by them.	
	b 6
During the review of the records,exhibited	b7C
a conditional sales contract bearing the handwritten signature	
"BILLIE SOL ESTES" as the purported purchaser of the equipment	
described in the contract related during the aforementioned series of conferences with ESTES and McSPADDEN, McSPADDEN admitted	
that he had, in fact, forged the name of ESTES to this contract.	
To illustrate the obvious discrepancy in the signature, also	-
exhibited a copy of a contract covering purported purchase of	
equipment from Superior by the Lester-Stone Company, Plainview,	
rexas, which contract contained the handwritten signatures of	
BILLIE SOL ESTES OF THAT COMPANY. Stated the signature of ESTES appearing	
of that company. stated the signature of ESTES appearing on this contract was, in fact, the true signature of ESTES and	
that same is at complete variance with the purported signature of	
ESTES appearing on the contract in his name above mentioned.	
	b6
Following review of the contracts produced by	b7C
a selected number thereof were obtained and details concerning	
same were telephonically furnished to SAC FRANCIS E. CROSBY and of the El Paso Office to serve as a basis for	_
possible prosecutive action then under consideration by the	
Assistant United States Attorney, Western District of Texas,	
El Paso.	
·	
	•
DL 29-1096	•
On 3/29/62 of Dallas, Texas File # EP 29-351	
SA BAYMOND C ECKENBODE /pm 41	
by SA RAYMOND C. ECKENRODE/pm 41 Date dictated 4/4/62	 ·

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

At the time of this call, SAC CROSBY was also informed of the existence of the contract in the possession of Pacific Finance Company containing an alleged forgery of the signature of BILLIE SOL ESTES thereto by COLEMAN D. McSPADDEN.

FEDERAL BUREAU OF INVESTIGAT

Date April 11, 1962

b6 b7C b7D

52 Los Angeles, California

Fill s Angeles 87-15971

and WOODROW R.
MC CULLY/tgr

__Date dictated <u>4/10/62</u>

10/02

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b7C

cument contains neither recommendations nor conclusions of the FBI. It is the property of the FF and is loaned to lency; it and its contents are not to be distributed outside your agency.



	Date	April 11, 1962	
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			1
			
and WOODROW R.	Date dicta	ted <u>4/10/62</u>	
		¿Los Angeles, California File ∦Los	Los Angeles, California File #Los Angeles 87-1597

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

LA 87-15971
LLB:WRM/tgr

advised that any subpoena duces tecum

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FEDERAL BUREAU OF INVESTIGATION

		Date 4/9/62	
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` <u>L</u>	7	92. 4 4	Gaprock b
Investment_Compan	ý, 1114 Tenth Street	Lubbock Texas.	advised
that in about Mar	ch, 1961, ne and	TOTA DACERS Door	arident.
Caprock investmen	t Company, contacted nd Supply Company, I	uhhook Tores in	an effort
to collaboration a	lment loap papers fr	om ROGERS. He st:	ted that
his company offer	ed to finance some of	of the tank and rel	ated sales
manufactured by L	ubbock Hächine and S	Supply and stated t	chat at
this time ROGERS-	merely agreed to kee	p Caprock Investme	ent Company
in mind in some o	f his future financi	al transactions.	He stated
that in about Oct	ober 1961, ROGERS t	elephonically cont	acted
. Sa muse of the San take to make the	Caprock 41	westment Company,	and The
LOTHEO HIM THAT H	e had some mortgage ock Investment. He	haher witten he der	ing in_
October and conti	nuing through the mo	onth of February 19	62? ROGI
corresponded regu	larly with	submitting mortgag	ge papers, to
be financed by Ca	prock for when Ma	chine and Supply	and advised
that in addition	to this.		ubbock
Machine and Suppl	y, personally contact	ted to furn	sh him
the notes and loa	n applications. He	advised that	_is the
one who had perso	nal contact with ROC	ing and handled it	ie mechanics
OI each OI the se	ven loans financed i	HILBITORING ACTORDINAR VID.	3 2110
Carrole Threetmen	t Company vould be t	he logical person	to produce
all records and t	o testify in court.	A CONTRACTOR OF THE PROPERTY O	Sen and the
'			b
	produced a copy	of a dealer's agre	ement
between the Capro	ck Investment Compai	ly and the Lubbock	machine.
and Supply Compan	y dated October 20,	1961, in which the	e Caprock
Investment Compar	y agreed to accept i	lotes from the Lubi	ock wacuine
and Supply Compan	A ror rynancing.	od on the factor of the state	
. మీద కారు సౌకరి	ph one of this cont:	ract reads as follo	OWS':
_	·	** **	
"Ve pro	pose to sell to you	from time to time	such
notes.	conditional sales co	ontracts, chattel i	nortgages,
account	s receivable, and of	ther evidences of	debt herein
called	notes as are accepta	able to you and ac	quired by
uo iro	n purchasers of team	s manuractured by	Libbock
Liacrand	end Supply Lagrany o you on a rull rec	. We Will endorse	ic acreement
noten i	the basis of your p	archese thereof "	ro of contro
3 6 A 6 C S	ere nuero er hour he		
		EL-2	9=351
		File # DL-2	9-1096
	deres :		
on <u>4/7/62</u>	Lubbock, Texas	Date dictated	4/1/02
			b
by Special Agent		/nlf	b
ui.		46	~

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DL-29-1097 EL-29-351

He stated that although he did not specifically enter into a discussion with T. A. MOGERS, President, Lubbock Machine and Supply Company, concerning the subject as to whether the ammonia tanks to be financed by Caprock Investment Company for Lubbock Machine and Supply were actually manufactured by Lubbock Machine and Supply or by Superior Manufacturing Company of Amarillo, Texas. He stated that this agreement sets forth the fact that the notes purchased by his company from Lubbock Hachine and Supply were incurred as a result of the sales of items manufactured by Lubbock Machine and Supply Company. He stated that at no time does he recall the name of Superior Manufacturing Company being mentioned by ROGERS and that his company was of the opinion that all notes financed for Lubbock Machine and Supply were financed as a result of deals made by Lubbock Machine and Supply Company. He stated that his company has financed a total of seven such notes for Lubbock Machine and Supply and stated. that the net amount of these seven notes is some \$251,000.00.

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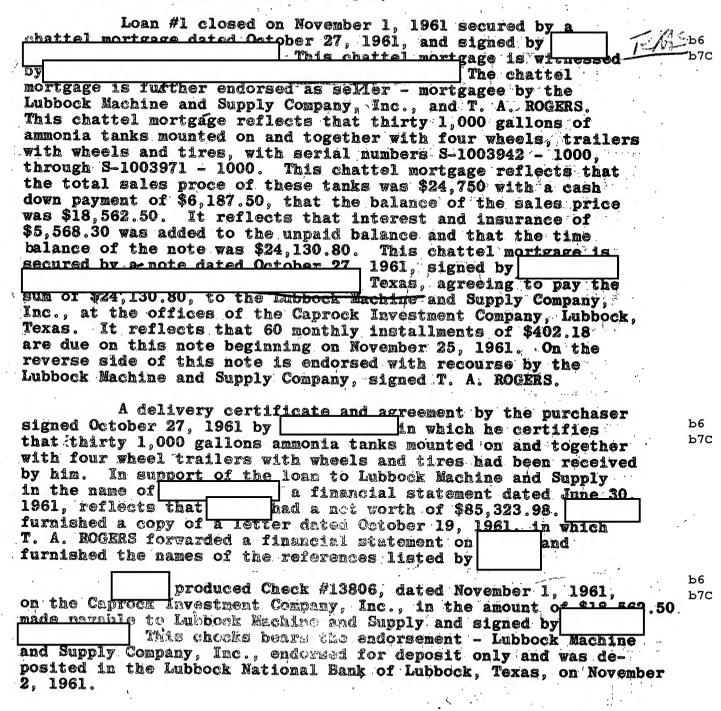
FEDERAL BUREAU OF INVESTIGATION

	Date 4/9/62
Company, IIIA Tenth Street, Lubbock, Texas, employed by the Caprock Investment Company stated that in October, 1961, T. A. ROGERS, Machine and Supply Company, Lubbock, Texas, tected him concerning the financing of some Machine and Supply had obtained as the resultant company. He stated that although he does act conversation, he does recall that Mr. that he had been contacted previously by Off Investment Company soliciting this type of fithat he notes to be financed represented me by Lubbock Machine and Supply Company, but shows he recall the name of Superior Manufact mentioned as the producer of the items to be hat beginning in October, 1961, ROGERS would the U. S. Mail, applications and notes securated by individuals located in or near Pechat these chattel mortgages were on amonia capacity, and stated that in all instances to the the had actually received the tanks described he had actually received the tanks described he had actually received the tanks described he had actually received the tanks described hereaf forward the personal delivery of one forward through February, 1962, ROGERS would forward through the personal delivery of one for Lubbock Machine and Supply Company. He had and stated that at no time did ROGERS would and stated that at no time did ROGERS.	Caprock Investment advised he has been Re President, Lubbock telephonically con- notes that Lubbock t of sales made by es not remember the ROGERS had remarked iders of Caprock inancing. He stated making the statement rehandise manufactured tated that at no time uring Company being financed. He stated d mail to him through ed by chattel mortgages os, Texas. He stated tanks, I,000 gallon he Caprock Investment dividual certifying ribed in the chattel er and continuing some of the papers stated that the d delivered to him
he office of the Caprock Investment Company He stated that after verifying the tatements in the application of the individual had signed ablishing the fact the individual had signed hat the number of tanks described in the chapter of tanks described in tanks described in the chapter of tanks described in the chapter of tanks described in tanks describe	accompanying financial mals signed, and es- d a receipt certifying attal mortgages had o be prepared made
ompany. furnished photostats of the rom the files of the Caprock Investment Comp	pany and advised that
4/7/62 g Lubbock, Texas	File # DL-29-1096
Special Agent	Date dictated 24/6/02

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DL-29-1096 EL-29-351

these documents pertained to loans handled by his company for the Lubbock Machine and Supply Company.



DL-29-1096

Loan #2 closed on November 6, 1961, reflects that a letter dated October 31, 1961 from T. A. ROGERS by the Lubbock **b**6 Machine and Supply Company, Inc., furnished the ⁄ь7с ment Company a financial statement on one The chattel mortgage supporting this loan reflects that sixty-one 1,000 gallon ammonia tanks mounted and together with four wheel trailers and wheels and tires, serial numbers S-1004065-1000 through S-1004125-1000 were security for This chattel mortgage to dated No. this note. signed and witnessed by This chattel mortgage is also engorsed by Lubbock Machine and Supply Company, Inc., by T. A. ROGERS as seller - mortgagee. It reflects that the total sales price of the tanks was \$50,325.00 and that cash of \$12,825.00 had been paid on this purchase. The balance of the loan was \$37,500.00 with interest and insurance of \$11,250.00, making a total amount of \$48,750.00. The chattel mortgage is supported by a note dated November 2, 1961 in which signed agreeing to pay the sum of \$48,750.00 to the Lubbock Machine and Supply Company, Inc., at the offices of the Caprock Investment Company, Lubbock, Texas. It reflects that sixty monthly payments of \$812.50 is due on this note beginning December 10, 1961. This note is endorsed by the Lubbock Machine and Supply Company, signed by T. A. ROGERS. This file contains a balance sheet reflecting net worth as of April 30, 1961 to be \$394,962.46. **b**6 furnished a copy of his company's check #13843, b7C dated November 6, 1961, drawn on the Lubbock National Bank of Lubbock, Texas, in the amount of \$37,500 Lubbock Machine and Supply and signed by This check is endorsed by Lubbock Machine and Supply Company, Inc., endorsed for Deposit Only and reflects that it was deposited in the Lubbock National Bank of Lubbock, Texas, on November 7, 1961. n November 24, 1961, in the name of **b6** Texas. identified a letter b7C dated November 16, 1961, from T. A. ROGERS from Caprock Investthat that ampany finance a note in the name of Texas. A chattel mortgage under the date of hevenhor mortgage is witnessed by TAXA=

is endorsed by the Lubbock Machine and Supply Company, Inc., by T. A. ROGERS as seller - mortgagee. It reflects the sale of sixty-one 1,000 gallon ammonia tanks mounted on and together with four wheel trailers with wheels, tires, hose and fittings. Serial numbers on these 61 tanks reflected to be S-1004398-1000 through S-1004458-1000. It reflects that the sales price on these tanks was \$50,325,00, that a down payment of \$12,825.00 had been made with a balance to be financed of \$37,500.00. Interest and insurance was reflected as \$11,250.00, for a total amount of the note of \$48,750.00. This chattel mortgage is supported by a note dated November 22, 1961, payable to the Lubbock Machine and Supply Company, Inc., at the offices of the Caprock Investment Company, Lubbock, Texas, signed by This note is in the amount of \$48,750.00 and reflects that 60 monthly installments of \$812.50 are due on this note beginning December 25, 1961. This note is endorsed on the back by the Lubbock Machine and Supply Company, Inc., by T. A. ROGERS with recourse. The financial statement rendered on March 1, 1961, reflects his net worth to be \$429.098.45.

A delivery certificate and agreement by the purchaser signed November 22, 1961 by certifies that he had received the above described sixty-one 1,000 ammonia tanks and that these tanks were in his possession.

Disbursement was made on this loan in the form of check #13964, drawn on the Lubbock National Bank, Lubbock, Texas. by the Caprock Investment Company, Inc., and signed by on November 24, 1961. His check is made payable to Lubbock Machine and Supply Company in the amount of \$37,500.00 and bears the endorsement of the Lubbock Machine and Supply Company, Inc., endorsed for deposit only. It reflects it was deposited in the Lubbock National Bank of Lubbock, Texas, on November 28, 1961.

Loan #4 - closed on December 30 1961, in the name of J. J. TABER, Box 644, Van Horn, Texas.

of a financial statement dated March 1, 1961, which reflected that the net worth of J. J. TABER was \$276,912.17. He exhibited a chattel mortgage dated December 23, 1961 for fifty-eight 1,000 gallon ammonia tanks mounted on and together with four wheel trailers with wheels, tires, hoses and fittings. Serial numbers S-1005126-1000 through S-1005183-1000. This chattel mortgage is signed J. J. TABER, his wife, HARGARET TABER, the Lubbock Machine

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and Supply, Inc., and by

Machine and Supply. Inc. This chattel mortgage is witnessed by

It reflects that the total sales price of the 58 ammonia tanks was \$47,850.00, that cash had been paid of \$11,850.00, with a balance owed of \$36,000.00.

Interest and insurance amount to \$10,800.00, or a total amount of the note of \$46,800.00.

The chattel mortgage is supported by a note dated December 23, 1961, payable to the Lubbock Machine and Supply Company, Inc., at the offices of Caprock Investment Company, Lubbock, Texas, in the sum of \$46,800.00 and monthly installments of \$780.00 are due on this note beginning January 25, 1962. This note is signed by J. J. and MARGARET TABER. The reverse side of this note is endorsed with recourse by the Lubbock Machine and Supply Company, Inc., by

exhibited a delivery certificate and agreement by purchaser dated December 23, 1961, in which J. J. TABER signed this form acknowledging receipt of the fifty-eight 1,000 gallon ammonia tanks described in the chattel mortgage. Final disbursement was made on this loan in the form of a check #14267, dated December 30, 1961, drawn on the Caprock Investment Company, Inc., the Lubbock National Bank of Lubbock, Texas, in the amount of \$36,000.00. This check is endorsed - Lubbock Machine and Supply Company, Inc., endorsed for deposit only and deposited in the Lubbock National Bank on January 3, 1962.

Loan #5 - closed January 13, 1962 that the loan was approved in the name of Texas, and advised that this note was originally submitted for approval by Lubbock Machine and Supply Company, in the form of a letter dated December 20, 1961. He advised that this letter included the application for financing from the J. J. TABER described above and that this letter enclosed a financial statement for dated July 1, 1961, which reflocted that net worth as of that date was \$767,952.34. He stated that this chattel mortgage is stated December 23, 1961 and is signed by the Lubbock Machine and Supply! He citated that this chattel Company, the., by T.'A. MUGERS. mortgage is vitnessed by BILLLIGHES advised this chattel mortgago describes the sixty-seven 1,000 gallon ammonia tanks mounted on and together with four wheels, trailers, with wheels, tires, hoses and fittings, Serial Numbers

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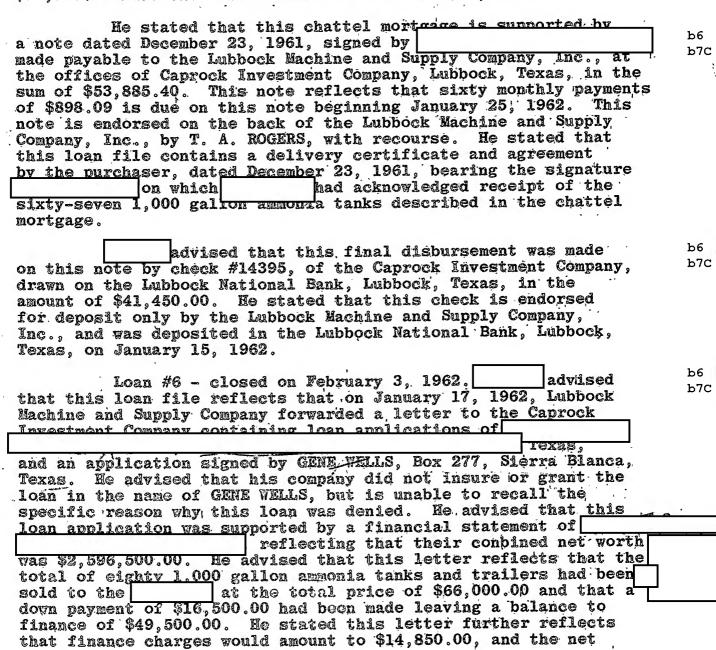
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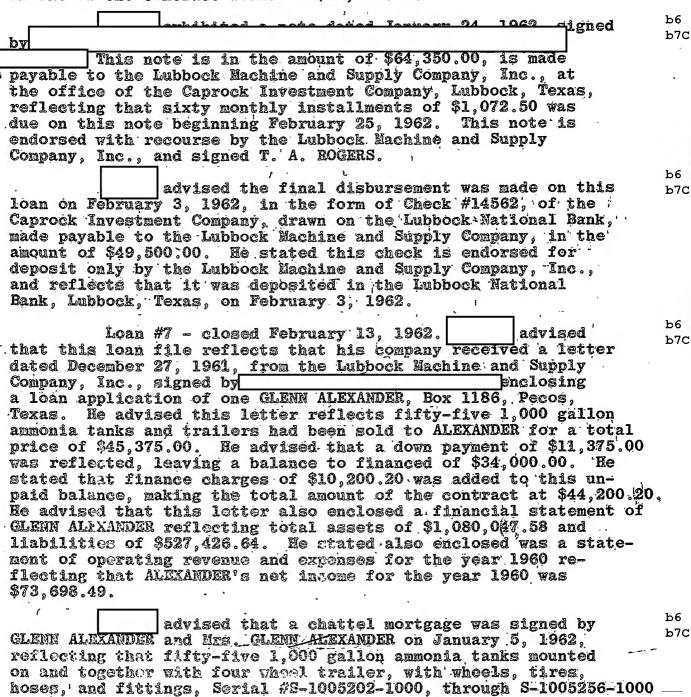
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S-1005051-1000 through S-1005117-1000. He stated that the total sales price of these sixty-seven tanks is \$55,275.00, with a down payment of \$13,825.00, leaving an unpaid balance of \$41,450.00. He stated that insurance and interest added in the amount of \$12,435.40 made the total amount of the note \$53,885.40.



amount of the contract would be \$64,350.00.



had been purchased by ALEXANDER. He stated that the total sales

DL-29-1096 EP-29-351

price was reflected at \$45,375.00, with a down payment of \$11,375.00, or a net balance of \$34,000.00 to be financed. reflects that insurance and interest of \$10,200.20 was added for a total balance of the note to be \$44,200.20. Le advised that this chattel mortgage is also signed by Lubbock Machine and Supply Company Ton POTERS and is witnessed by

He advised that this

chattel mortgage is supported by a note dated January 5, 1962, payable to the Lubbock Machine and Supply Company, Inc, at the offices of the Caprock Investment Company, Lubbock, Texas, in the amount of \$44,200.20 and is signed by GLENN ALEXANDER and Mrs. GLENN ALEXANDER. He stated this note reflects that sixty monthly installments of \$736.67 is due beginning February 15, 1962. He advised that the reverse side of this note is endorsed with recourse by the Lubbock Machine and Supply Company, Inc., and signed T. A. ROGERS.

He advised that this loan is supported by delivery certificate and agreement by the purchaser dated January 5, 1962, signed by GLENN ALEXANDER in which he acknowledges receipt of the fifty-five 1,000 gallon ammonia tanks described in the chattel mortgage. He stated that final disbursement was made on this loan on February 13, 1962, in the form of a check #14659 of the Caprock Investment Company, drawn on the Lubbock National Bank, Lubbock, Texas, in the amount of \$34,000 payable to the Lubbock Machine and Supply Company, Inc.. stated this check is endorsed for deposit only by the Lubbock Machine and Supply Company, Inc., and is reflected to have been deposited in the Lubbock National Bank of Lubbock, Texas, on February 14, 1962.

replated that the majority of the loan papers were personally hand delivered to him by for the Lubbock Macking and Supply Company, anc.. me advised that he personally recalls handling the above loans and stated as he personally approved these loses he possibly has more knowledge concerning the individual loans than any other officer of Caprock Investment Company. He further advised that he would . gladly testify to the above information.

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FEDERAL BUREAU OF INVESTIGATION

	Date 4/11/62
	. July
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Warry Londo	b70
Kuykendalı investment Company,	1210 Avenue Q, advised that he
handled the loans submitted to	him by T. A. ROGERS Lubback
Machine and Supply Company (LM2:	S) and had
	Superior
manuaceuring company, Amarillo	, Texas. He stated that the
total amount of the loans handle	ed by his company for these
two firms is \$2,215,656.16. He	furnished a list of each lo-
advanced to the individuals supp	nasadiw ahtaining anhydrauc
ammonia tanks. He stated he des	construction of the contraction
handled the financial transcatt	orange of both off he has.
handled the financial transaction	ons for a. A. Moters and lines
for a number of years. He state	ed unese loans consisted of
pressure tanks manufactured by	LEES and sold to their
customers. He stated that begin	aning in 1960, about October,
a. A. Nyura degan Tinancing tar	aks signed by farmers in the
mest lexas area. He stated MUGI	ERS informed him this was some-
thing new inasmuch as he was not	t selling tanks manufactured
by LM&S, but was merely acting a	as a broker. He stated in each
case ROGERS endorsed the chattel	martages and mate with
recourse and furnished his office	na suite a calac annemasie
a chattel mortgage and in most	de name a soles colletace,
a chattel mortgage, and in most	instances, a linancial state-
ment. He stated that at no time	e during the course of his
transactions with ROGERS did ROG	ible indicate or attempt to
leave the impression that he was	manufacturing the tanks
being financed by Kuykendall Inv	vestments.
He stated in most inst	ances the chattel mortgage
and the necessary instrument wou	old he brought to the Kubbandall
office by some delivery boy empl	and by IMS We at the bad
no direct contact with BILLIE SC	or established and the state of
Financial transconding which a	w mains concerning any of these
financial transactions until aft	er the nevs proke that Edika
was deeply involved in the linar	cies of tanks that did not
exist. He stated that in connec	tion with the loans financed
for Superior Manufacturing Compa	my; the majority of his
dealings was with HAROLD ORR, pr	esident, or RUEL ALEXANDER
Vice President. He stated in ad	dition to these two individuals
he also dealt with an individuel	hy the name of
Superior Manufacturing	b70
Samo váco 7	Malacturing Company. He stated
	was see and the southerth.
•	EP 29-351
	File #DL_29=1096
4/0/60	
on 4/8/62 of Lubbock, Teras	Date dictated <u>4/10/62</u>
hu Sanatal Annu	/rmb
by Special Agent .	/ TMD b70

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the majority of the loan documents pertaining to the loans handled by Superior Manufacturing Company were submitted to his office he mail and some were hand-delivered by either He stated in each instance a check was prepared by his company payable either to LM&S or Superior Manufacturing Company for the net amount of each loan and advised that whereas the checks to LM&S were usually picked up by the delivery boy for LM&S, the checks payable to Superior were mailed to them in Amarillo, Texas.

He stated that his firm made no efforts to obtain signed receipts from the individual farmer certifying that they had actually received tanks described on the chattel mortgage. He stated he relied upon LM&S to obtain the necessary forms and stated he has in all instances found T. A. ROGERS, President, LM&S, to be completely honest and reliable.

He stated his company had no direct contact with any of the borrowers until after the news was released that ESTES had obtained the names of prominent farmers on chattel mortgages for tanks that did not exist. He advised that of the loans handled by his firm for LM&S and Superior, all except three loans were "ESTES deals". He stated that by this it seems that ESTES handled the paper work on all transactions with the exception of three loans which he believes the proceeds actually went to COLEMAN D. MC SPADDEN. He identified these three loans as being to

Luna Company Fertil exas, Deming, New Mexico, and to He advised his company did not know that MC SPADDEN had anything to do with these loans or they would not have cleared them. He stated that on different occasions MC SPADDEN attempted to get Kuykendall Investment Company to finance erection of grain storage tanks for MC SPADDEN at Lubbock, Texas. He stated his company refused to handle the financing on these tanks and subsequent to this time several offerings were sent to Kuykendall Investments from Superior Manufacturing Company to handle some of the personal financing for MC SPADDEN and ORR and stated that his company had refused each offer. He stated that on one such occasion the combined credit rating of COLEMAN WC SPADDEN and

MC SPACES vas submitted to his firm in an effort to get his firm to extend loans to MC SPADDEN

He stated his company again refused to furnish any money to either of these people.

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stated that he desires to point out that
it is his nersonal opinion and helief that
Universal C.I.T. Finance Company,
was involved with ESTES in the perpetration of this fraud.
He stated he based this belief on the actions ofin in-
ducing T. A. ROGERS, President, LM&S, and others to sign
agreements, notes and documents in furtherance of ESTES
scheme. He stated that, in addition, when was fired by
C.I.T. in July, 1961, he immediately became a
for Superior Manufacturing Company and thereafter personally
delivered two or three of the loans financed by Kuvkendall
Investments. He stated he has no evidence showing per-
sonally realized anything from BILLIE SOL ESTES while he was
employed by C.I.T. Finance, but is highly skeptical of
motives in his persistent contacts with ROGERS in an effort
to induce him to handle the loans for ESTES.
identified and described the following
loans:
TOGILS •
Loan No. 1 closed October 5, 1960, in the name of
He exhibited a chattel mortgage dated
October 5, 1960, signed by the Lubbock 1 Y
Machine and Supply Company. Inc. by, T. A. ROGERS, and wit-
nessed by . This chattel
mortgage reflects that seventynine 1,000 gallon NH-3 tanks,
mounted on four-wheel trailers with wheels and tires,
Serial Nos SE-1000-17245 through SF-1000-17323, had been
sold to at a total price of \$57,670. It reflects
that a down payment of \$15,570 had been paid by
leaving an unpaid balance of \$45,100. Finance charges of
\$13,930.40 were added to this chattel mortgage and note,
making a grand total of \$56,030.40. This mortgage reflects
that 60 monthly installments of \$933.84 are due and payable beginning on November 15, 1960. This note is endorsed on
the back by T. A. ROGERS for LM&S.
the back by 1. A. Modella 101 Lines.
exhibited letter of transmittal dated
September 28, 1960, from LM&S
enclosing a financial statement and reference sheet on
The accompanying financial statement re-
flects has net worth of \$870,779.17.

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Final disbursement was made on the loan in the form of check #7431 dated October 5, 1960, in amount \$43,100 on Kuykendall Investment Company drawn on First National Bank

of Lubbock, Lubbock, Texas, payable to Lubbock Machine and Supply Company, Inc. This check is endorsed for deposit only by Lubbock Machine and Supply Company, Inc., marked reserve account, and reflects it was deposited in Lubbock National Bank on October 6, 1960.

exhibited a chattel mortgage Loan No. 2. TIM MC CORMAC and witnessed da It is endorsed by by Superior Manufacturing Company, HARULD E. ORR, President, with recourse. This mortgage cites the sale of eighty 1,000 gallon Superior NH-3 tanks mounted on and together with four wheels and trailers complete with tires, axles, wheels and hoses, Serial Nos. 8910-61 through 8989-61. It reflects total sales price of \$63,600 and down payment of \$12,720, leaving an unpaid balance of \$50,880. Finance charges of \$10,585.32 were added for a total of \$61,465.32. It reflects a total of 36 installments of \$1,707.37 were due and payable on this note beginning January 15, 1962.

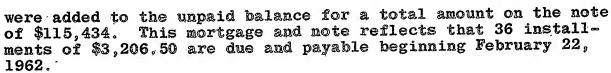
He exhibited a profit and loss statement for the year ending April 30, 1961, prepared by GEORGE A. KRUTILEK, Accountant and Auditor, Post Office Box 227, El Paso, Texas, reflecting JIM-MC CORMAC, 3008 Copper Street, El Paso, Texas, had net profit of \$87,447.03 for the year ending April 30, 1961. An accompanying balance sheet shows MC CORMAC's net worth as of April 30, 1961, was \$887,363.36.

Final disbursement was made on this note in the form of check #8903 on Kuykendall Investment Company on December 11, 1961, drawn on First National Bank, Lubbock, Texas, payable to Superior Manufacturing Company in the amount of \$50,797.70. This check is endorsed for deposit only, Superior Manufacturing Company, at the American National Bank of Amarillo, Texas. It reflects it was deposited at the American National Bank of Amarillo on December 12, 1961.

Loan No. 3, closed January 9, 1962, in the name of Texas. KUYKENDALL exhibited a chattel mortgage and note dated January 8, 1962, signed by reflecting he had purchased a total of one hundred and fifty 1,000 gallon Superior NH-3 tanks, mounted on and together with 150 four-wheel trailers complete with wheels, axles, tires and hoses, Serial Nos. 10271-61 through 10420-61, at a total purchase price of \$119,250. A down payment of \$23,850 was reflected, leaving an unpaid balance of \$95,400. Finance charges of \$20,034

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Final disbursement was made on this loan by check #9037 on Kuykendall Investment Company drawn on First National Bank, Lubbock, Texas, payable to Superior Manufacturing Company, Post Office Box 709, Amarillo, Texas, in amount of \$95,400. This check was endorsed for deposit only to the account of Superior Manufacturing Company at American National Bank, and reflects it was deposited in **that bank on January **10, 1962.

Loan No. 4. closed January 9, 1962, In the name exhibited a chattel mortgage and note signed by no. January 8, 1962. This note and chattel mortgage reflects purchase of eighty 1,000 gallon Superior NH-3 tanks, mounted on and together with 80 four-wheel trailers complete with axles, wheels, tires and hoses, Serial Nos. 9524-61 through 9603-61. A total sales price was reflected as \$63,600, with a down payment of \$12,720, leaving an unpaid balance of \$50,880. Finance charges of \$10,685.04 were added to this note, making a total price of \$61,565.04. This chattel mortgage and note is co-signed by HAROLD E. ORR, President, Superior Manufacturing Company, January 8, 1962.

also exhibited a statement of financial condition dated December 31, 1960 reflecting that Texas, had a net worth of \$1,372,232.12.

Final disbursement was made on this loan on January 9, 1962, in the form of check #9038 payable to Superior Manufacturing Company, Post Office Box 709, Amarillo, Texas, on the account of Kuykendall Investment Company, drawn on the First National Bank of Lubbock, Texas, in the amount of \$50,880. This check bears endorsement for deposit only, Superior Manufacturing Company, the American National Bank, and reflects deposit was made at that bank on January 10, 1962.

Loan No. 5. closed on January 9, 1962, in the name exhibited a note and chattel mortgage dated January 8, 1962, signed by reflecting the purchase of eighty 1,000 gallon Superior NH-3 tanks, mounted on and together with 80 four-wheel Superior trailers, complete with axles, wheels, tires and hoses, Serial Nos. 9604-61 through 9683-61. The mortgage reflects total price of \$63,600, down payment of \$12,720, leaving an unpaid balance of \$50,880. Finance charges of \$10,685.04 were added for a grand total of \$61,565.04. It reflects 36 monthly installments of \$1,710.14 are due and payable on this note beginning February 22, 1962. This note and chattel mortgage is endorsed with recourse by Superior Manufacturing Company, HAROLD E. ORR, President, under date of January 8, 1962.
exhibited a financial statement of
Texas, dated December 31, 1960,
reflecting net worth of \$1,067,860.17.
Final disbursement was made on the loan in the form of check #9039 dated January 9, 1962, on Kuykendall Investment Company drawn on the First National Bank of Lubbock, Lubbock, Texas, payable to Superior Manufacturing Company, Post Office Box 709, Amarillo, Texas, in amount of \$50,880. This check is endorsed for deposit only by Superior Manufacturing Company to the American National Bank, Amarillo, and reflects it was deposited in that bank on January 10, 1962.
Loan No. 6. closed January 9, 1962, in the name exhibited a chattel mortgage and note signed by on January 8, 1962, reflecting the purchase of sixty-five Superior NH-3 Applicators complete with
chanke knives hoses demoter numbs and 200 gallon tanks,
Serial Nos. A-5370-61 through A-5434-61. The total sales price
reflected to be \$55,250 with a down payment of \$11,050, leaving an unpaid balance of \$44,200. Finance charges of
\$9.282.32 were added to this note making a total of \$55,482.52.
This note and chattel morreage is engorsed with recourse by
Superior Manufacturing Company, HAROLD E. OKK, President, on
January 8, 1962.
<u>Libited meanwing fi</u> nancial statement
of Texas, reflecting
on December 31, 1960, they had not worth of \$1,384,192.13.

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Final disbursement was made on this note in the form of check #9040 dated January 9, 1962, on the Kuykendall Investment Company, drawn on the First National Bank of Lubbock, Lubbock, Texas, payable to Superior Manufacturing Company, Post Office Box 709, Amarillo, Texas, in the amount of \$44,200. This check is endorsed for deposit only, Superior Manufacturing Company to the American National Bank, Amarillo, Texas, and was deposited in that bank on January 10, 1962.

FEDERAL BUREAU OF, INVESTIGATION

Date	4/	30	/62

ASSOCIATES INVESTMENT

COMPANY, 2312 Avenue Q, Lubbock, Texas, advised that the headquarters of that finance company is located in South Bend, Indiana. He stated that in about 1959 or 1960 ASSOCIATES INVESTMENT COMPANY purchased all of the outstanding paper of Purchase Plans, Inc.. He advised that since 1958, ASSOCIATES INVESTMENT COMPANY has been purchasing notes and paper generated by SUPERIOR MANUFACTURING COMPANY under the management of ROBERT CLEMENTS, President. He advised that in addition to his company, PURCHASE PLANS, INC., also purchased contracts and paper generated by CLEMENTS. He stated that when ASSOCIATES INVESTMENT COMPANY acquired PURCHASE PLANS, INC., they assumed all of the assets and liabilities of PURCHASE PLANS, INC., and therefore, now hold all of the paper generated by ELEMENTS and SUPERIOR MANUFACTURING COMPANY.

He advised that in June, 1958, ROBERT CLEMENTS, President, SUPERIOR MANUFACTURING COMPANY, wrote a letter to his office in Lubbock, Texas, inquiring as to whether ASSOCIATES INVESTMENT COMPANY would be interested in purchasing some of the paper generated by SUPERIOR MANUFACTURING COMPANY. He stated that he contacted CLEMENTS in Amarillo, Texas, and CLEMENTS informed him that BILLIE SOL ESTES, Pecos, Texas, was one of the largest fertilizer distributors in Texas. He stated that CLEMENTS explained to him that ESTES was purchasing large quantities of ammonia storage tanks to be used in his fertilizer husiness. He stated that CLEMENTS suggested that he, accompany HAROLD ORR, Salesman of SUPERIOR MANUFACTURING COMPANY, to Pecos, Texas, and personally witness the use of this equipment. He stated that he accompanied HAROLD ORR to Pecos, Texas, and there they met with BILLIE SOL ESTES. He stated that ESTES appraised of the use to be made of the tanks which he desired to purchase from SUPERIOR MANUFACTURING COMPANY, and stated that ORR then took him out to one of the farms operated by ESTES and stated he believed this farm is called "Flat Top." He stated that he observed the use of these tanks on the farm operated by BILLIE SOL ESTES and stated that ESTES furnished him a financial statement reflecting his net worth is of that date. He stated that he does not recall the exact amount of this figure reflected on ESTES financial statement. He advised that as a result of this, ASSOCIATES INVESTMENT COMPANY approved the line of credit of one half million dollars for ESTES. He advised that thereafter they financed the sale of tanks from

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4/23/62	at	Lubbock, Texas	-	Date dictated _		· · · · · · · · · · · · · · · · · · ·
by Special Agent _	·		/nlf		1	

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SUPERIOR MANUFACTURING COMPANY to BILLIE SOL ESTES.

He advised that in addition to the sale of tanks manufactured by SUPERIOR to BILLIE SOL ESTES, his company also financed the sale of equipment by SUPERIOR MANUFACTURING COMPANY to other purchasers. He advised that in the majority of the instances, the chattel mortgage and note were endorsed with recourse by ROBERT CLEMENTS, President, SUPERIOR MANUFACTURING COMPANY. He stated that he had no reason to question the honesty of CLEMENTS, ORR, or ESTES and had no idea that there was anything wrong with the sales contracts being forwarded to his office.

He stated that in the early part of 1960 CLEMENTS sold SUPERIOR MANUFACTURING COMPANY to HAROLD ORR and RUEL ALEXANDER. He stated that he also recalls that one and a fellow by name of were associated with SUPERIOR MANUFACTURING COMPANY. He stated that shortly after this sale, he became concerned as to the source of the money used by ORR and ALEXANDER in purchasing SUPERIOR from CLEMENTS. He stated that he questioned ROBERT CLEMENTS in great detail as to the source of funds used by ORR and ALEXANDER to purchase SUPERIOR and stated that CLEMENTS advised him that this money had been furnished by the relatives and in-laws of the two people involved. He stated that CLEMENTS professed that ORR had married a rather wealthy girl and that his wife's father had given her a great sum of money. Hestated that CLEMENTS told him that ALEXANDER's father had a lot of money and that he had assisted RUEL ALEXANDER in purchasing the stock of SUPERIOR MANUFACTURING COMPANY. stated that CLEMENTS claimed that ORR and ALEXANDER had paid cash for the full purchase price of SUPERIOR MANUFACTURING COMPANY. He advised that shortly after ALEXANDER and ORR gained control of SUPERIOR MANUFACTURING COMPANY, he noticed that COLEMAN McSPADDEN, Lubbock, Texas, became president of this firm. He stated that he recognized that McSPADDEN was in the fertilizer business at Hereford, Texas, and since SUPERIOR MANUFACTURING COMPANY sold tanks to the different fertilizer dealers in the West Texas area, he immediately recognized that COLEMAN McSPADDEN's association with SUPERIOR MANUFACTURING COMPANY would be in conflict with the interest

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of the company in the sale of tanks to McSPADDEN's competitors. He stated that as he was not satisfied as to the source of funds used by ALEXANDER and ORR in the purchase of SUPERIOR MANUFACTURING COMPANY and was not pleased with McSPADDEN's association with SUPERIOR MANUFACTURING COMPANY, ASSOCIATES INVESTMENT COMPANY decided, through him, not to handle any additional paper of SUPERIOR MANUFACTURENCE COMPANY ne stated/that in the early part of 1961, ORR contacted him in Lubbock, Texas, and informed him that COLEMAN McSPADDEN had sold his interest in SUPERIOR MANUFACTURING COMPANY. stated that ORR professed to him that one Attorney, Lubbock, Texas, had purchased McSPADDEN's interest in SUPERIOR. He stated that ORR told him that as of that time McSPADDEN was no longer associated with SUPERIOR MANUFACTURING He stated that ORR contacted him in an effort to get COMPANY. his company to resume the purchase of financial papers generated by SUPERIOR MANUFACTURING COMPANY. He stated that as a result of his contact with ORR, Lubbock: he immediately contact if he had in fact purchased Texas, and asked SUPERIOR MANUFACTURING COMPANY. He McSPADDEN's interest in informed him that McSPADDEN no longer stated that had any interest in SUPERIOR MANUFACTURING COMPANY as he, had purchased all of the stock previously owned He stated that during the course of this interview, he thoroughly questioned in an effort to establish that McSPADDEN was no longer associated with SUPERIOR MANUFACTURING COMPANY. He stated at this time he requested that furnish him a copy of his financial statement. advised that after obtaining the financial statement Land inquired from from he re-contacted to purchase him as to the source of funds used by McSPADDEN's interest in SUPERIOR MANUFACTURING COMPANY. He stated he pointed out to financial statement failed to reflect that he had sufficient capital to purchase SUPERIOR MANUFACTURING COMPANY. He stated at this time, claimed that he managed the

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estate and the majority of the stock of SUPERIOR MANUFACTURING company had been purchased by him from funds of the again informed him that he estate. He stated that was president of SUPERIOR MANUFACTURING COMPANY and that McSPADDEN no longer had any interest in or association with SUPERIOR MANUFACTURING COMPANY. He stated that he finds in his files a financial statement rendered to him by HAROLD ORR reflecting the net worth of \$171,462.81 and dated May 1, 1961. He stated he also finds a financial statement of RUEL ALEXANDER, Secretary-Treasurer, SUPERIOR MANUFACTURING COMPANY, dated May 1, 1961, reflecting a net worth of \$195,607.47. He stated that as the date of this thing coincides with the general date in which he contacted he assumes that this is the time which he, agreed to resume purchasing the financial paper generated by SUPERIOR MANUFACTURING COMPANY. He stated that after the above assurances by ORR and ALEXANDER that McSPADDEN no longer had any interest in SUPERIOR MANUFACTURING COMPANY, he again began purchasing the notes and papers generated by SUPERIOR MANUFACTURING COMPANY. . He stated that prior to this transaction, however, he recalled that in about September. 1960. HAROLD ORR approached him and informed him that one Texas, had gotten himself involved with a GIBBS GRAIN COMPANY, Amarillo, Texas. He stated that ASSOCIATES INVESTMENT COMPANY had financed some tanks supposedly owned and stated that ORR contacted him in an by effort to see if ASSOCIATES INVESTMENT COMPANY would allow to transfer the equipment purchased by him to COLEMAN McSPADDEN, owner, ASSOCIATED GROWERS, Hereford, Texas. He stated that he knew that McSPADDEN was in the fertilizer business and assumed that he would have a need for the tanks supposedly owned by He st advisėd him that as a result of the actions of the U. S. some \$80,000.00 and had refused to Government had fined store grain in the elevators owned by He stated that ORR explained to him that were in partnership and that are result of this action on the part of the governhad to transfer the equipment and his obligations. ment,

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He stated that ORR explained to him that elevator license had been revoked by the government and that they would never again permit him to store grain in his elevators. He stated that he agreed to allow COLEMAN McSPADDEN to assume the obligations on and stated that all of the paper originally created in the name of both by ASSOCIATES INVESTMENT COMPANY and by PURCHASE PLANS, INC., was transferred to COLEMAN McSPADDEN on September 15, 1960. advised that his company began purchasing paper from the LUBBOCK MACHINE COMPANY, Lubbock, Texas, in He stated that he first contacted T. A. ROGERS, President, LUBBOCK MACHINE AND SUPPLY COMPANY, in 1958, in an effort to purchase the paper generated by that company. He stated that ROGERS informed him at that time that he was doing business with a local bank and that he had decided to stay with the bank. He stated that in 1961 ROGERS contacted him and advised that he was still interested in purchasing some of the paper generated by LUBBOCK MACHINE AND SUPPLY. He stated that the majority of the contracts handled by LUBBOCK MACHINE AND SUPPLY have been bersonally delivered to his office by either or some other employee of

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LUBBOCK MACHINE AND SUPPLY.

He advised that the majority of the contracts and chattel mortgages and notes furnished to him from SUPERIOR MANUFACTURING COMPANY arrived in Lubbock, Texas, through the U. S. Mail. He stated that he is unable to identify the individual contracts now that were submitted through the mails and has maintained no record on the manner in which the contracts arrived in his office. He stated that prior to ORR and ALEXANDER's assuming control of SUPERIOR MANUFACTURING COMPANY, the majority of his dealings were with ROBERT CLEMENTS and stated that after CLEMENTS sold this company to ORR and ALEXANDER, the majority of his dealings has been with HAROLD ORR.

He stated that about the middle of March, 1962, he became aware of the fact that there was a strong possiblity that some of the collateral described in the contracts held by

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ASSOCIATES INVESTMENT COMPANY did not exist. He stated that this was brought about through the numerous meetings held between himself and other officials of other finance companies. He stated that at this time he attempted to contact HAROLD ORD and gueseded in locating him in the office of He stated that he called Texas. office and talked to ORR over the telephone. stated at this time, he prevailed upon ORR to furnish him information concerning each individual loan held by ASSOCIATES INVESTMENT COMPANY. He stated that he asked ORR as to which of the contracts held by ASSOCIATES INVESTMENT COMPANY was secured by collateral and which were not. He stated that ORR then remarked to him that the very first contract purchased by ASSOCIATES INVESTMENT COMPANY had no collateral. He stated that he desires to point out that this contract, or the first contract handled by his company was financed for BILLIE SOL ESTES in connection with the above described ammonia tanks.

He stated that after this contact with ORR, he contacted ROBERT CLEMENTS in Amarillo, Texas, and asked CLEMENTS if it was true that the first contract handled by ASSOCIATES INVESTMENT COMPANY was fictitious. He stated that CLEMENTS professed to be innocent of any knowledge of any wrong doing and stated that the tanks financed by ASSOCIATES INVESTMENT COMPANY for BILLIE SOL ESTES in 1958 "might be some that ESTES purchased in Arizona." He stated that CLEMENTS told him that ESTES approached him to get him to finance the tanks which ESTES supposedly purchased for a fertilizer company in Arizona and claimed that he had sent HAROLD ORR to Pecos, Texas, where ORR had counted the tanks. He stated at this time, CLEMENTS informed him that the tanks financed by ASSOCIATES INVESTMENT COMPANY for ESTES had not been manufactured by SUPERIOR MANUFACTURING COMPANY.

He stated that on a subsequent date, which he believes to be about March 20,1962. RUEL ALEXANDER told him that if he, would prepare a list of all loans handled for SUPERIOR MANUFACTURING COMPANY by ASSOCIATES INVESTMENT COMPANY they would get together with

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him and ALEXANDER would point out to him which of the loans had collateral and which loans were not secured by collateral. He stated at this time ALEXANDER asked him to give the date of each contract and the original amount on the contract as the present unpaid balance would not help him (ALEXANDER) identify the loans.
He stated that he subsequently prepared this list and recontacted ALEXANDER and at which time informed him
that since HAROLD ORR, RUEL ALEXANDER, COLEMAN MCSPADDEN, and
BILLIE SOL ESTES, were presently free on bond on Federal charges
of causing fraudulent mortgage paper to move interstate, he
decided that he would not permit ALEXANDER to identify the fictitious bans. He stated thatinformed him that to do
fictitious bans. He stated that informed him that to do
so would be "like putting a noose around my client's neck."
He stated that a THREE WAY CHEMICAL
COMPANY, Bovina, Texas, has been making payments to ASSOCIATES
INVESTMENT COMPANY in connection with purchases of equipment
from SUPERIOR MANUFACTURING COMPANY for a period of years. He
stated that he contacted n an effort to obtain the serial numbers on the tank financed by ASSOCIATES INVESTMENT COMPANY for
numbers on the tank financed by ASSOCIATES INVESTMENT COMPANY for
He stated thatinformed him that he had received each and every tank described in the chattel mortgages which he
each and every tank described in the chattel mortgages which he
had signed. He stated that he purchased the equipment originally
from SUPERIOR MANUFACTURING COMPANY under the management of ROBERT CLEMENTS, President. He stated that informed him
that no down payment was made by him in connection with the
purchase of the equipment from SUPERIOR. He stated that CLEMENTS
would execute a sales invoice and chattel mortgage reflecting
a sale of some 25 tanks through the THREE WAY CHEMICAL COMPANY
when in reality only 18 tanks had been delivered. He stated
that CLEMENTS would then show that the down payment of approximately
20% had been made on the purchase price.
stated that his company holds chattel mortgages
signed by Texas. He stated that
is in default in connection with the payments on the note and
stated that now maintains, through his attorney, that
his page was forged to the chattel mortgage and note. He stated
that enies any responsibility or obligation for the notes.
He stated upon checking the individual payments made to the credit
of this note he determined that one was mailing

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shocks drawn on the City National Ponk Distantion Toyas	t o
checks drawn on the City National Bank, Plainview, Texas	
be applied towards the note. He advised the	at_
be applied towards the hote. He advised the after obtaining this information he talked to	
ILESTER - STONE FERTILIZER COMPANY, Plainview, T	exas,
concerning the notes. He stated that	con-
fessed to him that he, had been making the regula	ŕ
monthly payments on the note. He stated th	at
admitted to him that he had opened an account at t	he
City National Bank under the name of and	
had signed checks drawn against this account each month	in
payment of the note. He stated that	told
him that signed the chattel mortgage and note fin	anced ·
by ASSOCIATES INVESTMENT COMPANY and that had bro	
the monthly payment book mailed to him by ASSOCIATES INV	ESTMENT
COMPANY to the office of in Plainview in or	der that
he, could make the regular monthly payments on th	
He stated that in addition to this, informed him t	
several occasions has contacted him an inquired i	
	ı ne,
was current in the payments on the notes.	
advised that some of the notes finance	d by
his firm are located in the home office at South Bend, In	diana,
and stated that all of the notes originally handled by F	URCHASE
PLANS, INC., are in his home office in South Bend. He s	tated
that he would immediately contact his home office and hav	e all
of the loan documents and checks issued by his firm in p	ayment
of the notes purchased from LUBBOCK MACHINE AND SUPPLY C	OMPANY
and SUPERIOR MANUFACTURING COMPANY forwarded to his Lubb	ock ,
Office. He stated that he would make all loan documents	and
checks available for review and that he would cooperate	in this
investigation.	

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II.	INTERVIEWS	
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1.		Pecos,	Texas	· .	٠	•	•		72
2.		Pecos,	Texas	S	•	•	•		75
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7.	CLAUDE E. DAVIS	, Pecos	, Texa	as .	٠	۰	•	•	100
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DERAL BUREAU OF INVESTIGATIO

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	REEDS TO XAS
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advised that he was not required to	make any statement either
oral or written, that he was entitl	ed to an attorney, and that
anything furnished by him could be	used against him or others
in a count of law	
	• • • • • • • • • • • • • • • • • • •
stated that B	ILLIE SOL ESTES had propo-
sitioned him sometime around the fi	rst part or April, 1901,
to sign a contract for the purchase tanks. Mr. ESTES stated that he wa	s in need of additional
ammonia tanks in his various busine	sses and did not care
to use his own credit in the purcha	
said that BILLIE ESTES told him tha	t he would give he,
as a commission for the use of his	
the balance due on the tanks, would	lease the tanks back
from which lease would cal	l for a monthly payment
stated that he questioned t	he deal and gave it a
good deal of thought and even discu	ssed it with others
before coming to the conclusion that	t it might be all right.
	-t -1 17 - 70
April 26, 1961, in the offices of B	at about 11:30 a.m. on
signed the sales contract for BILLI	R SOL ESTES and also agreed
to lease the tanks to BILLIE ESTES.	He stated that he was
furnished a hold-harmless letter fr	om Sunerior Manufacturing
Company and also from BILLIE SOL ES	
that it seemed strange to him that	
hold-harmless letter by Superior Ma	
when in effect the tanks he was all being purchased <u>from the Lubb</u> ock Ma	ebine Supply Company at
Lubbock, Texas. stated	that in any event he
signed several papers in blank on A	pril 26, 1961, none of
which were notarized in his presence	e, and left BILLIE ESTES
with the understanding that he woul	d make a final decision
in regard to going through with the	deal on or perore 1:00
p.m. on the same date.	•
stated that a	fter having lunch on
April 26, 1961, he made up his mind	that he was not going
•	: -
5/10/62 Pecos, Texas	File #EP 29-351
On SA	1110 II
SA cfp	5/13/62
by	Date dictated

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to go through with the transaction inasmuch as it did not seem right. He stated that he picked up the telephone and called Mr. ESTES to advise him that he did not care to go through with the deal and thereafter stopped by the offices of the Estes Enterprises at about 2:00 p.m. on April 26, 1961, and picked up all of his papers. He stated that he brought all of the papers back to his home and destroyed all of them.

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advised that the next thing he knew
was about ten months and seven days later when
of the Pecos Independent Newspaper stopp
talk to him about ammonia tanks and at this time
told him that a sales contract was in file in Reeves County
representing the nurchase of a number of ammonia tanks by
stated that he immediately called
the offices of Billie SOL ESTES, however, was unable to talk
is Mr. ESTES since he was home sick, but that he did talk
stated
that told him that he, would immediately get
in touch with Mr. ESTES and shoot into the matter.
stated that he told that he demanded a release
on this contract or else he, would "throw a
fit"
stated that apparently got
in touch with Mr. ESTES and it was only a matter of a day or
two until he was given a release from this obligation.
stated that the release given to him was dated
February 10, 1962, and was signed by of the
Lubind Machine and Supply Company.
stated that he does not have any
definite information as to whether or not his contract was
ever sold. He stated that he did not receive any compon
book and was never contacted by any representative of any
finance company with regard to the location of any ammonia
tanks nor did he receive any inquiries or letters of
confirmation from any finance company or anyone else with
regard to ammonia tanks;
z - Der et a contributation octives 9
stated that he obtained a copy of
the Chattel Mortgage on file in his name and found that it
was dated April 26, 1961, was on the form of the CIT Corporation
and represented the purchase through the Lubbock Machine and

Supply Company of 131-1,000 gallon anhydrous ammonia tanks

J. 73

EP 58-59

Serial Numbers SFS-1,000-21232 through 1,000-21362. original amount of the Chattel Mortgage was \$117,230 plus a down payment of \$23,630 leaving a balance of \$93,600. stated that in his opinion was not involved in the transactions concerning the purchase of anhydrous ammonia tanks by warlous farmers in West Texas. He stated that he had learned through conversation would not recommend had with other farmers that that any farmer sign the Chattel Wortgages calling for the purchase of ammonia tanks and thereafter lease them back to stated that it appeared to him BILLIE SOL ESTES. that BILLIE SOL ESTES named to most of these transactions alone with the help of some of his clerical employees, but did not care to have any part of it. that

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Date May 14, 1962	
pecos Texas	
was advised that	
he was not required to make any statement either oral or	
in writing to the interviewing agents, that he was entitled	
to consult an attorney, and that any statement made either	
oral or in writing could be used against him in a court of	
law. stated that he had an attorney and would	
be very happy to discuss anything in connection with the	
purchase of anhydrous ammonia tanks by him.	
stated that in the fall of 1960, BILLIE	
SOL ESTES telephoned him at home. Mr. ESTES stated that	
he had a business proposition and requested that he	
drop by at his convenience to talk it over. stated	
that a few days later he stopped by the offices of BILLIE	
SOL ESTES at which time Mr. ESTES desired to know the number	
of acres of land he owned and other information relative to his financial situation. Stated that he currently	
farms 256 acres of cotton.	
advised that ESTES continued in explaining	
that he, ESTES, had used up just about all of his credit	-
and had a serious need for additional ammonia tanks in his	
businesses. He stated that he wanted additional tanks and would purchase same in his name, he, ESTES would	
if would purchase same in his name, he, ESTES would provide the 20 per cent down payment and in addition, give	
a commission amounting to ten per cent of the balance	
due on the note. stated that the proposition	
sounded very good and that he told ESTES that he would	•
think it over and let him know.	
TOWNS	
stated that about two weeks later ESTES	
telephoned him again and he, decided to go through with the offer. advised that at this time he felt	•
that he, along with maybe four or five other farmers, were	
the only ones assisting ESTES in this venture.	
	,
On 5/9/62 or Pecos, Texas File # EP 29-351	
SA &	
by SA jcs Date dictated 5/13/62	

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2 stated that he did not have copies of his contracts with him inasmuch as some were with his attorney and others were at home, but he recalled purchasing ammonia tanks for ESTES on nine different occasions and that the notes were subsequently discounted by the seller; namely, Superior Manufacturing Company, to five different finance companies. He stated that the total cost of the tanks was in excess of \$600,000. stated that on no occasion did ESTES provide him with the down payment inasmuch as he was informed by ESTES that he, ESTES, would take care of the down payment in each of the nine transactions. stated that signing the various contracts and loan papers usually took place at Estes Enterprises in Pecos and that BILLIE SOL ESTES was present on the first signing only. He stated that on other occasions, would provide him with the necessary papers to sign. He stated that his financial statements were prepared by GEORGE KRUTILEK and that he. signed numerous papers in blank. He stated that he had occasion to observe one of his financial statements after it had been completed by Estes Enterprises and noted that the equipment set forth in the financial statement had been increased about four times its actual value. He stated that this change had obviously been made by employees of BILLIE SOL ESTES and that he questioned ESTES about this little matter and ESTES told him "not to worry." stated that to the best of his knowledge, none of his contracts represented forgeries and that all of the signatures appearing thereon were his own. He stated that in each instance, all of the tanks purchased in his name were leased to BILLIE SOL ESTES and that ESTES provided him with thold harmless letters both from ESTES and the Superior Manufacturing Company. stated that it was -his understanding that ESTES would take delivery on all the tanks from Superior Manufacturing Company. With regard to the ten per cent commission, stated that in some instances he received cash and in other instances he received credit at the Waterwell

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Service Company and the Farmers Company. He stated that

to the best of his memory, when he elected to take cash as his commission, a check was made out in his name by the Farmers Company.

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Concerning monthly payments stated that
he made these personally to the particular finance company.
He stated that he received checks monthly from the Farmers
Company for payments on the so-called leases and that he in
turn made out his personal check to the particular finance
company. stated that in addition he recalls that
after a certain length of time had passed, it was decided
that the BILLIE SOL ESTES people would take care of the
payments on the notes and they did this by depositing money
to account at the Security State Bank at
Pecos and thereafter drawing checks against this account.
He <u>stated</u> that the reason this change came about was because
and he decided to turn the entire matter over to the Estes
Enterprises. He stated that he would, as a general rule,
sign about two months supply of checks in blank, giving
same to one of the employees and thereafter the personnel
of Estes Enterprises would make deposits to his account
at the Security State Bank and thereafter take one of the
checks that he, had signed and fill it out and forward
same to the particular finance company. stated that
if his recollection serves him correctly, he believes that
one who was employed either by the Farmers
Company or the Estes Enterprises, both of which are located
in the same building, might have given him some assistance
in this regard.
stated that on no occasion did he have
any doubt that the anhydrous ammonia tanks did not exist
He stated that it was his opinion that the tanks actually
were manufactured and that they were being used by BILLIE SOL
ESTES in one of his retail fertilizer outlets.
stated that sometime in 1961, a representative
of the CIT Corporation contacted him with regard to the
location of the ammonia tanks which he, had purchased.
stated that he simply referred the field representa-
tive of CIT to of the Farmers Company.
The state of the s



May 14, 1962

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	0	with residence	b6
Texas, w	as contacted in Peco	os at which time he	b7C
was advised he was en	titled to consult an	n attorney and	
was not required to m	ake anv statement e:	ther oral or in	
writing.	was advised that at	ny statement made	
could be used against	thin in a court of	law.	b 6
<u> </u>		- 1to1 no	, b7C
	advised that he had	d absolutely no	
objection to being in	terviewed in connec	tion with his dealings	
with BILLIE SOL ESTES	or recos, rexas.	restated that It	
was sometime in Febru telephoned him saying	ary, 1901, that m.	TES desired to see	
telephoned him gaying	ted that a short ti	me later, he visited	
PILITE SOI ESTES Who	told him that he. E	STES, needed additional	
anhydrous ammonia tan	ks in his business	and would appreciate	
very much if he,	would purchase	same for him and	
thereafter lease then	back to ESTES.	stated	•
that ESTES' idea was	to provide the nece	ssarv down payment	
in making the nurchas	se in addition give	ten per	
cent of the balance of	lue on the purchase	and also rurnish	
him with letters hold	ling him harmless fr	om any Habitity.	
	stated that he fur	miched ESTES a	, b6
financial statement a	Istated that he fur	he statement given	b7C
to ESTES had been alt	rered somewhat and t	hat his evaluation	
of equipment had been	increased consider	ably.	
stated that he signed	d the necessary chat	tel mortgages and	
notes as well as fina	ancial statements in	i blank. He stated	
that information rela	ative to his financi	al status had been	
firmiched in nencil	and was to be typed	in finished form	
by one of the employ	ees of Estes Enterpr	ises. He stated that	
he merely signed blan	nk pieces of paper I	n order that the	
financial statement	might be typed there	eon and turned in	
with his contract.			
	Trusted that the fi	irst contract signed	b 6
by him was in the pr	stated that the II	FSTES and that all	b7c
by him was in the pr	CD CHCC - AT - BTDDTM - DA I	3 - Marie	
•			
5/ <u>10/62</u> Pe	cos, Texas	File #EP 29-351	
On SA	&		b 6
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•
other contracts were signed in the presence of He stated that no other witnesses were present at the signing and that he did not have any idea when the particular paper was notarized. Stated that at the outset he felt that he was one of a select few of farmers being chosen by BILLIE SOL ESTES to assist in this matter. Stated that BILLIE SOL ESTES would
sent him a check each month, same to represent a lease payment and thereafter he, would send his personal check to the particular finance company purchasing the contract. stated that it was his understanding that of the Farmers Company was to accept delivery of the ammonia tanks.
advised that to the best of his knowledge none of his particular entracts had been forged and that the names appearing thereon had been placed thereon by himself. He stated that he definitely felt that the anhydrous ammonia tanks existed.
advised that a representative of the Pacific Finance Company visited him last summer but that he simply referred the representative to BILLIE SOL ESTES.
stated that he along with farmed some 976 acres of cotton. He stated that he alone was involved in three separate transactions, one having been purchased by CIT for about \$107,000, the second by Kuykendall for about \$32,000 and a third by Commercial Credit of Baltimore for about \$77,000. He stated that he was involved with In one other contract which was purchased by Pacific Finance Company and was in an amount
stated that with regard to the ten per cent commission due him on each of the contracts, he did not receive any cash or checks but accepted same in the way of credit at the Farmers Company. He stated that some of the credit received at Farmers-Company as his commission was
transferred to other companies owned and operated by BILLIE SOL ESTES.

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Date May 14, 1962

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	k
advised that he resides at	k
Texas. was	
dvised that he was entitled to consult an attorney and was.	
ot required to furnish any statement either oral or in	
riting to the interviewing agents. He was advised that any	
tatement made could be used against him in a court of law.	
	. 1]
stated that he had no objections to	
being interviewed and would be very happy to furnish any	
nformation of value to agents of the FBI.	
THE CHILD CLOSE OF ACCOUNTS AND	
stated that he along with]
	1
farmed about 976 acres of land. He stated that he	
were contacted by some employee of	
SILLIE SOL ESTES sometime in February, 1961. He stated that	
the message was that BILLIE SOL ESTES desired to see them	
ometime at their conven <u>ience. a</u> dvised that a	
short time later, he and stopped by to	
ee BILLIE SOL ESTES and ESTES explained to them that he	
eeded additional ammonia tanks in his various businesses and	
yould be most grateful if they would agree to purchase the	
ammonia tanks for him and lease them to him.	
tated that in effect ESTES desired to use their credit and	
their names in purchasing ammonia tanks advised	
that the proposition sounded very attractive inasmuch as	
ESTES had agreed to make the down payment and give him as a	
commission an amount in cash or in credit equal to ten per	
	•
hat he signed his first contract a short time thereafter	
n the presence of BILLIE SOL ESTES. In addition to signing	
he contract he gave ESTES and other employees, names not	
ecalled, sufficient information concerning his financial	
tatus which was to be incorporated in a financial statement.	
stated that he signed a number of papers in	
lank including a note and chattel mortgage as well as a	
umber of blank sheets of paper on which the financial data	
5/10/62 Pecos, Texas File # EP 29-351	
MI	
SA Date dictated 5/13/62	

2. EP 29-351 was to be typed. b6 stated that thereafter he signed b7C two other contracts in the presence of He stated that on no occasion were there any other witnesses present and the contracts were apparently notarized at some advised that it was his underother time. standing that there were only a few farmers involved in this matter and that he considered himself rather privileged in being considered by ESTES as a close friend and being able to help him out. **b6** advised that leases were prepared b7C in each instance calling for the leasing of the tanks being purchased to ESTES and that was to accept stated that there was delivery of the tanks. never any doubt in his mind that the tanks did wot existed. b6 stated that he signed several contracts b7C one of which was subsequently discounted or sold to Kuykendall in the amount of around \$32,000 and a second one which was made out in the name of land involved his in the amount of and also about \$182,000. He stated that this latter contract was subsequently sold to the Pacific Finance Company. stated that one of the contracts on which his name appears is in his opinion a forgery. He stated that this contract to the best of his memory is about one year old, is in the amount of \$112,000, and was purchased by CIT. stated that apparently someone made a mistake on the contract he had actually signed and thereafter found it necessary to forge his name to the contract. b6 furnished six specimens of his signature b7C

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advised that he received his commission

to the interviewing agents.

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EP 29-351

or bonus from ESTES in the way of credit at the Farmers Company which was transferable to other companies owned or controlled by BILLIE SOL ESTES.
stated that sometime during the summer of 1961 he was visited by a representative of CIT with a request that the ammonia tanks be shown to the representative.
stated that he simply referred the CIT representa-
tive to either or BILLIE SOL ESTES.
stated that he might have referred the representative to but in any event he referred the caller to some- one at the BILLIE SOL ESTES Enterprises in Pecos.
harmless letters from ESTES and possibly also the Superior Manufacturing Company. He stated that he was lead to believe by BILLIE SOL ESTES and others that he, would not have any liability on the notes being signed.
stated that payments to the finance companies were made from the proceeds of checks received from the Farmers Company on the lease agreements to BILLIE SOL ESTES.

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Date	
H. E. Wilson Grain Co., P. O. Box 428, 106 East Summitt Street, advised he presently has several civil suits filed against various finance companies demanding concellation of all notes held by them in his name on the grounds such contracts and/or notes are forgeries. He stated in view of this litigation, he felt the interview by agents of the FBI would be inadvisable without first	56 57C
discussing the propriety of interview with his	
Texas.	
() Efforts had to contact the tolo	o6 o7C

		DL 29-1096 File # EP 29-351	-
on <u>5/2/62</u>	ot Electra, Texas RAYMOND C. ECKENRODE and	Date dictated 5/7/62	- 1
by Special Agen≲_	Value of the	***************************************	b6 b7С

	Date 5/8/62	
ſ	H. E. Wilson Grain Co., P.O. Box 428, 106 East Summitt Street, Electra, Texas, was inter- wiewed at the office and in the presence Staley Building, Wichita Falls, Texas. The interview, as reported bereinafter. was conducted with the	b6 b70
	consent and approval of	
	H. E. Wilson Grain Co., Electra, Texas, ne also owns a 50 per cent interest in the Martin & Lane Grain Co., both Vernon and Oklaunion, Texas; a 50 per cent interest in the Chillicothe Elevator Co., Chillicothe, Texas; a 20 per cent interest in Hub Grain Co., Inc., Hub, Texas; a 25 per cent interest in the Spade Grain Co., Spade, Texas; and a 10 per cent interest in the Spearman Grain Co., a corporation, Spearman, Texas.	b6 b70
	learned through Texas, that BILLIE SOL ESTES of Pecos, Texas, was expanding his grain storage enterprise and was looking for grain elevators to buy. noted at that time he, in three grain elevators located at Kress, Center Plains and Claytonville, Texas, known as the Kress Elevators. stated it was mutually agreed among him and his partners that contact was to be had with ESTES and an offer made to sell the Kress Elevators and possibly others.	b6 b70
	5/2/62 at Wichita Falls, Texas Date dictated 5/7/62	ь6 ь70
by S	RAYMOND C. ECKENRODE and Special Agens	b6 b70

29-1096 \mathbf{DL}

drawn to cover the sale of the Kress Elevators to ESTES as
well as the sale of the Wilson Grain Co Silverton, Texas,
stated he
believes the date these contracts were drawn was November 24, 1959.
related the contracts as drawn reflected the
sale was being made to BILLIE SOL ESTES, dba United Elevators, Inc.
The contract as drawn covering the Wilson Grain Co.,
Silverton, Texas, provided for the purchase of same by
ESTES to be effective March 1, 1960, for a total cost
of \$800,000, against which ESTES was to make a \$200,000
down payment on March 1, 1960. noted this down payment was not actually made until July 1, 1960, and that the
was not actually made until July 1, 1960, and that the
amount so paid down was \$193.772.90, which was in the form
of a check of the Commercial Solvents Co., New York, New York.
stated the latter firm held, assignments on all income
accruing to ESTES under his grain storage contracts with the
Government and that they had agreed at ESTES' request to
set aside funds in the amount above noted from these assignments in order to make requested down payment. stated
ments in order to make requested down payment. stated the remaining balance of the purchase price was to be made in
four annual installments of \$150,000 each, commencing June 1,
1961, with interest at 6 per cent on the unpaid balance.
He noted the installment due on June 1, 1961 was paid by ESTES.
stated Kress Elevators was a partnership
and that the partners' interest consisted of 40 per cent held by himself. 40 per cent by and 20 per cent by
The sales contract as drawn for elevators in the
three locations stated above provided a sales price of one
million dollars, the sale to be effective January 1, 1960.
The provisions of the contract call for a down payment by
ESTES of \$200,000 plus his assumption of an obligation out-
standing against the elevators held by Commercial Credit Corpora-
tion approximating \$93,000. This debt was incurred by the
partnership in the installation of additional storage elevators
at the Center Plains, Texas location. The balance of the
purchase price was to be paid by ESTES in four annual installments of \$200,000 each plus interest at 6 per cent on the un-
paid balance, said payments to commence March 1, 1961. The
installment called for on March 1, 1961, according to
was paid by ESTES but the installment which fell due on March
1, 1962, has not been paid to date.
In addition to the above sales, related

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DL 29-1096

immediately thereafter he and sold their equal interest in a partnership known as the South Plains Elevator, South Plains, Floyd County, Texas. The exact date the sales contract was drawn was not recalled by but he said such sale was to be effective February 1, 1960, at an agreed price of \$338,975.00. Under the terms as written, ESTES paid a down payment of \$73,975.00 with a balance payable over a period of four years with interest accrued payable on February 1 of each year, beginning February 1, 1961, and the principal payable each year in installments of \$66, 250.00, beginning July 1, 1961. noted interest payments were received from ESTES on February 1, 1961 and February 1, 1962, the required principal installment was also paid on July 1, 1961.	b6 b7
	b 6
On or about April 1, 1961, stated he and	b7
South Kress Elevators, South Kress, Texas, entered into a contract with ESTES to sell such installation to him at a price of \$537,500.00. stated ESTES paid \$90,633 down and agreed to pay the balance in quarterly installments of \$31,919.12, beginning April 1, 1962. noted nome of the installments called for under this contract had been paid to date by ESTES.	
said ESTES also	b 6
At about the same time said ESTES also purchased the <u>Dempsey Elevator</u> , <u>Dempsey</u> , <u>Teas</u> , a sole proprietorship of the sales price on the transaction \$141,194.02, against which ESTES paid \$25,716.00 down, with a balance to be paid in seminannual installments beginning May 1, 1961, at \$16,050.50. said the installments required on May 1, 1961 and November 1, 1961 were made by ESTES and that the current balance owing under this contract by ESTES is \$112,353.92, which includes interest.	ъ7
advised as he recalls, the down payments on all these transactions, with the exception of the first one noted above, were made in the form of checks drawn by BILLIE SOL ESTES on a Pecos, Teas bank, believed to be the First National Bank. In addition, all installments required and paid under the contracts were accomplished through drafts, drawn by on BILLIE SOL ESTES personally on the First National Bank, Pecos, Texas.	b6 b7
water and that at no time dispine negotiations	b 6
pointed out that at no time during negotiations in connection with the above sales does he recall furnishing	b7

to ESTES or any representatives of ESTES, a financial
statement of his,, personal net worth.
advised subsequent to the sale of the first three grain elevators described above in about, May, 1960, while he was attending the grain dealers conference at Abilene, Texas, he was approached by ESTES and advised he, ESTES, wanted to build additional grain storage units at the Silverton. Texas elevators previously purchased from said ESTES claimed he had overextended his available credit and inquired if would be willing to finance these additions for ESTES. stated he indicated interest to ESTES and at the latter's request, accompanied him to Superior Manufacturing
Co., Amarillo, Texas, where they met with HAROLD ORR, an official of that company. At this meeting, the cost to construct the proposed additions was discussed with ORR, the purpose being to provide with an idea as to the amount of financing ESTES would require. Claimed no other matters other than this were discussed at the time and denied any proposal was made by ORR that the financing in question could be arranged by Superior with a finance company. In this regard, claimed he was considering at the time securing a loan for this nurnose through the First National Bank, Tulia, Texas. noted as part of the proposition offered to him by ESTES in connection with the loan request made by ESTES, ESTES had represented he would repay the principal advanced plus 10 per cent interest. According to he did not furnish to ESTES or ORR any type of financial statement on himself personally or any of his businesses.
Shortly after the above meeting, claimed he decided not to provide the financing requested by ESTES and so advised ESTES. At the time such notice was given, stated ESTES indicated he would attempt to secure the financing himself and inquired if would permit him to use name as a credit reference in securing such financing. said he informed ESTES he would not object to furnishing his personal reference for ESTES but noted no such inquiry was ever received by him on behalf of ESTES thereafter.
related during the approximate period May to July, 1960, exact date not now recalled, but following his return from an extended business trip in West Texas and Colorado, he located among his mail a coupon book believed of the CIT Corp., calling for a monthly payment to CIT by him purportedly in retirement of an obligation in his name claimed he immediately called ESTES and sought an explanation from him

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regarding this book. When asked why he referred or otherwise connected this coupon book with ESTES, purported he assumed ESTES had something to do with it in view of his prior request to use as a credit reference. According to ESTES did not directly acknowledge being responsible for the obligation incurred with CIT or that he had used name but implied such by stating everything would be all right and that he (ESTES) would take immediate steps to remove this obligation from name.	ь6 ь7С
related it was his present recollection in addition to the above coupon book from CIT Corporation, he had also received prior to this call to ESTES, a coupon or payment book from Kuykendall Investment Co., Lubbock, Texas, as well as one or two envelopes directed to him by CIT Corp. He said at the time of the above call with ESTES, the latter told him to take all the material so received from the finance companies to Co., Plainview, Texas, who would handle the matter, and that any future material received from finance companies should likewise be directed by	ъ6 ъ7С
At about this same time, had received similar material from finance companies and in addition, had caused a check of the records of the County Clerk, Silverton, Texas, and discovered several chattel mortgage notes on file in his name, aggregating in excess of \$500,000, all purporting obligations due by to/finance companies. professed inability to recall exactly how he learned this from and denied that he made any effort personally, following such advice from to check the County Clerk's records to establish whether or not chattel mortgages were on file in his name. He further pruported inability to now recall whether he sought an explanation from ESTES as to how finance companies acquired obligations in his name.	ъ6 ъ7С
Immediately following the discovery above noted by claimed he and called on Plainview, Texas, and sought his advice inasmuch as they felt "something was irregular" with respect to receipt of coupon books and correspondence from finance companies as well as the fact chattel mortgages had been filed in ame. He claimed merely inquired of them as to whether they had signed any notes or comparable obligations with finance companies and upon being advised they had not, told them they had nothing to worry about.	ъ6 ъ7с

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Again represented an inability to recall specific
details or their discussion with and whether or not
any statements were made during this meeting which would
indicate to them that the contracts or obligations obviously
existing were attributable to BILLIE SOL ESTESsaid
he believed the aforementioned meeting withoccurred
in about August, 1960.
stated during late spring. 1961, he was
in receipt of a telephone call from , who claimed be in turn had just received a call from ESTES, the latter
be in turn had just received a call from ESTES, the latter
then being at the CIT Corp. offices in New York City. Ac-
cording to in this call ESTES indicated in the event
a CIT representative contacted either they
should not be concerned inasmuch as everything was being
taken care of by him, ESTES. purported he did not know why such a call would be praced by ESTES and that
know why such a call would be placed by Edito and that correction
certainly he did not know the significance of the situation
at that time. He stated, however, within a few days he was contacted at Electra, Texas by an employee of the CIT Corp.,
who had a contract and a financial statement, both in the
name of claimed he/only able to recall the
fact such contract was had with him but that he did not
remember any of the conversation had with this CIT representa-
tive and specifically whether or not such individual inquired
as to the location of the collateral described on the contract,
whether he signed the contract, or whether the collateral
described had been leased by him to ESTES. He said he does
recall acknowledging to this CIT representative the correct-
ness of the financial statement, which he believed showed
his net worth as of December 31, 1960, but insisted he was
completely without knowledge as to how such financial
statement came into possession of the finance company. He
emphatically denied ever furnishing personally a financial
statement on himself at any time to a finance company, BILLIE
SOL ESTES, or any agent or employee of the latter, or to
HAROLD ORR, RUEL ALEXANDER, COLEMAN MC SPADDEN,
or the Superior Manufacturing Company. In this regard,
he referred to the fact he met HAROLD ORR on only one occasion,
as previously noted above, which was in about May, 1960, and
denied ever having met COLEMAN MC SPADDEN or RUEL ALEXANDER.

As a possible explanation as to the manner in which a financial statement in his name could have been secured or otherwise furnished to finance companies. aid there were occasions in 1960 and 1961, wherein ESTES represented to

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l	that he was attempting to								
_	arrange a large line of credit with various sources.								
	Purportedly, if such credit line was secured, ESTES								
	would have sufficient funds to pay these three individuals								
	in full for the grain elevators purchased from them.								
	According to within recent weeks, he learned from								
	that the latter at one time was contacted by ESTES								
	with a requestfurnish to ESTES financial state-								
	ments on himself, In making the								
	request, ESTES supposedly represented he wanted to use								
	such statements in his efforts to secure a large line of								
	credit, claiming such statements would assist him since								
	they would indicate ESTES was dealing with businessmen of								
	sound, financial means. Reportedly, in keeping with ESTES								
	request. vithout the knowledge of either								
	secured financial statements of all three, which								
	were dated as of a particular date in 1961 and furnished								
	them to ESTES. The statements in question, according to								
	were secured by from the Star Grain Co.,								
	Tulia, Texas, which firm had been provided with financial								
	statements of the three men in furtherence of certain								
	business transactions existing with that company.								
	emphasized this action on part was not previously								
	known to him until so informed by during the month								
	of April, 1962.								
	,								
	advised on or about March 15, 1960, he and								
Γ	read a series of articles emanating from a								
_	newspaper in Pecos, Texas, regarding alleged fraudulent								
	chattel mortgages which had been filed in Reeves County, Texas,								
	secured by anhydrous ammonia tanks. As a result, both								
	proceeded to Pecos, Texas and met with ESTES, at which time								
	they secured advice from him as to amount of chattel mortages								
	which had been prepared in their names. On this occasion,								
	said ESTES furnished to each of them a list on which								
	was described the number and aggregate amount of the mortgages,								
	including the identity of the finance company involved, which								
	had been prepared in their respective names. He stated ESTES								
	acknowledged to both of them that he had used their names.								
	in connection with these contracts. stated he specifically								
	asked whether ESTES had signed their names to the documents								
	prepared in connection with each loan and that ESTES denied he								
	had personally but did not otherwise identify the person								
	responsible for signing their names. He then asked ESTES								
	if the equipment described in the sales contracts and/or								
	chattel mortgage notes existed and whether it would be worth								
	their while to attempt to locate such equipment. He said in								
	response to this, ESTES merely replied he did not think they								
	would be successful in finding the tanks. stated								

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during this conversation, ESTES told them that he had made or otherwise arranged to have made all payments to finance companies on the notes prepared in their names.

Through made available a copy of the list furnished them by ESTES on this occasion and on which were described the alleged sales contracts

and/or chattel mortgage notes created in their respective

names by ESTES. These lists are as follows:

NAME CO.	PRINCIPAL	INTEREST	TOTAL	COLLATERAL	SERIAL NUMBERS
Associates (5-3-60)(Su	59,500.00 p)	21,490.00	80,990.00	34 - Sup. NH3 applicators, 14° 8 shanks & knive 200 gal tanks, Demps pumps. 48 - 1000 gal NH3 tr with John Blue pumps	eter Pailers 62843 thru
CIT(Sup) (5-2-60)	221,616.00	100,435.40	322,051.40	36 - 12,400 gal NH3 storage tanks 8 - 8000 gal NH3 storage tanks	ST-1144 thru ST-1179 ST-1041; ST-1067 thru ST-1073
FAC (Sup) (5-2-60)	96,000.00	30,225.00	126,225.00	18 - 12,400 gal NH3 storage tanks	T-1401 thru T-1418.
Kuykenda11 (8-28-60)(L	35,000.00 M)	10,500.40	45,500.40	64 - 1000 gal NH3 storage tanks on trailers	SF-1000-16762 thru SF-1000- 16825.
Pacific (So (3-30-61) (34 mos.)	up)111,75090	26,817.00	138,567.00	14 - 29017 com- pressors complete with gasoline engine	GA-8010 thru GA-8012;

NAME CO.	PRINCIPAL	INTEREST	TOTAL	COLLATERAL	SERIAL	NUM	BERS
					A-11506 A-11575 A-11615 A-11642	thru thru thru thru	A-11495 A-11513 A-11614 A-11630 A-11649 A-11701
				56 - 500 gal acid tanks on 4-wheel trailers	P-7962	thru	
Pacific (Sup)29,900.00	7,194.00	37,094.00	Grain Tanks		•	

NAME CO.	PRINCIPAL	INTEREST	TOTAL	COLLATERAL	SERIAL NUMBERS
D & M (LM) (8-10-60)	40,000.00	12,000.20	52,000.20	73 - 1000 gal NH3 tanks on 4-wheel trailers	EF=1000-760 thru EF=1000-832
S.I.C.(Sup) (8-10-60)	48,112.00	11,762.12	59,874.12	3 - 18,000 gal NH3 storage tanks 24 - 1000 gal NH3 tanks on 4-wheel trailers 12 - NH3 applicators Dempster pumps, 200 gal NH3 tanks.	T-81430; T-81430; T-79842. S-91432 thru S-91455 , AA-4201 thru AA-4212.
Kuykendall (8-10-60) (LM)	40,000.00	12,000.20	52,000.20	73 - 1000 gal. NH3 tanks on 4-wheel trailers	EF-1000-833 thru EF-1000-901; SF-1000-999 thru SF-1000-1002.
Humphries and Co.(LM) (8-17-60)	100,000.00	16,500.32	116,500.32	171 - 1000 gal NH3 tanks	SF-1000-1237 thru SF-1000-1406.
C.I.T.(LM) (8-17-60)	120,000.00	27,000.00	147,000.00	219 - 1000 gal NH3 tanks	SF-1000-665 thru SF-1000-759; SF-1000-1113 thru SE-1000-1236
F.A.C.(LM) (8-10-60)	60,000.00	18,000.00	78,000.00	110 - 1000 gal NH3 tanks	SF-1000-1003 thru SF-1000-1112
F.A.C.(LM) (9-14-60)	38,000.00	11,400.40	49,400.40	70 - 1000 gal NH3 tanks on 4-wheel trailers	SF-1000-16692 thru SF-1000-16761.

<u>.</u>

Concerning the above, and in response to specific questioning, claimed be never signed the contracts shown to exist in his name; that he was never approached or otherwise requested by anyone to sign sales contracts; and that he never consented to the use of his name on any chattel mortgage notes
and/or sales contracts covering purported sale to him by Superior Manufacturing Co. of anhydrous ammonia tanks or any other equipment manufactured by that firm. When asked, declined to make available handwriting specimens of his signature.
advised he has filed suits on behalf of against all the finance companies holding alleged notes signed by which suits request cancellation of all such notes on the grounds signatures appearing thereon are forgeries. He stated he has also filed an answer to a civil
Suit previously filed by Pacific Finance Company in the U. S. District Court, Northern District of Texas, Amarillo, Texas, wherein was named as a defendant and in addition in this same cause he has filed a countersuit alleging libel, slander, malicious prosecution, and unlawful interference of right to do business against Pacific Finance Company.

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1.1.1	ESTES ENTERPRISES		
1.			Page
	Pecos, Texas	•	106
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4.	GLENN ALEXANDER, A Purchaser of Tanks	۰	127
5.	Pecos, Texas.		131
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7.	Lester-Stone	•	
•	Fertilizer Company, Plainview, Texas.	٠	143
8.	Fertilizer Company, Hereford, Texas .	•	158
9.	for Estes Enterprises, residing]	
	Amarillo, Texas	_	174

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•	Date May 14, 1962
	Date
· \\data	
that he was bori	advised
and has two children.	Teves 12 merrien
*	
was advised that !	he was entitled to consult
an attorney, that he was not required	
either oral or written, and that any s	
used against him in a court of law. had an attorney residing at Abilene, Te	stated that he
matter of submitting to interview by the	
consideration, had finally consented the	
to do.	index are was one only ending.
	•
	me to Pecos, Texas, sometime
in the summer of 1956 and began working	
Enterprises. He stated that he had no his duties included running a dairy far	
were partners. He stated that before	
Texas, he had operated a dairy and the	
this line of work. He stated that the	
were partners was sold sometime in 195	
time ESTES bought Agr., Inc. He advise	· · · · · · · · · · · · · · · · · · ·
sometime in 1957, went into partnershiin a dairy at Girvin, Texas (20%	and 80% ESTES). He
advised that in 1958 he sold his inter	
Girvin, Texas, to BILLIE SOL ESTES and	
at the Billie Sol Estes Enterprises at	
Bookkeeping Department and also in the	
business. He advised that the title of	f which
title is frequently given to him. arose he is generally considered the	of the Billie Sol
Estes Enterprises.	AT GITS DITITE OOT
	4
	neral he can be considered
the overall manager of all of BILLIE S	
that ESTES handles the financing end of	
ventures and that he, handles	the management end.
F 10 140	TD 00 071
On 5/8/62 of Pecos, Texas	File #EP 29-351
SA	
by SA /jlk	Date dictated <u>5/13/62</u>

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stated that it has always been his understanding	b6 b7C
that Billie Sol Estes Enterprises is a partnership between BILLIE	טים
SOL ESTES He stated that the	
Enterprises include many companies, córporations and various	
interests. He stated that BILLIE SOL ESTES has 7/8 interest in	
this partnership, has 1/8 interest. He stated	
that the Enterprises include the following companies and	
corporations:	
Farmers Company, Pecos, Texas	
Lester Stone, Plainview, Texas	
Wheeler Fertilizer Company, Plainview, Texas	
United Elevators, Plainview, Texas (includes elevators	
at Kress, Plainview, Olton, Silverton, Providence, Claytonville	
and South Plains, Texas)	
-Colonial Funeral Home, Inc., Pecos, Texas	
Pecos Printing Corporation, Pecos, Texas	
Pecos Transit Mix, Inc., Pecos, Texas (stock in BILLIE SOL ESTES' wife's name)	
- Equipment Service Company, Inc., Pecos, Texas	
Ft. Stockton Implement Company, Ft. Stockton, Texas	
Agr., Inc., Girvi: "=xas	
South Plains Grain Company, Levelland, Texas (50% ESTES	
	b 6
Farm <u>Grain Warehouse Company</u> , <u>Lamesa</u> , <u>Texas</u> (71% ESTES	b7C
and balance to and possibly one or	
two others)	
Roy Lindsey Construction Company, Pecos, Texas (50% ESTES	
and 50%	
<u> </u>	
and balance	
G L E, M., McCamey, Texas (25% ESTES, 25%	
and 25% to individual whose last name begins	
with "M", name unknown)	
Del Norte Courts, Pecos, Texas (includes number of shacks	
in Pecos)	

A STATE OF THE STA
Woodcrest Apartments, Port Neches, Texas
Sudan Storage Company, Sudan, Texas (3/7 ESTES, 3/7 to
Tennessee, and 1/7 to ROBERT
CLEMENT of Dixon, Tennessee. Originally included four cotton
storage elevators; however, now inactive.)
Western Flying Company, Inc., Pecos, Texas (50% ESTES
and 50%
•
stated the following three grain storage
elevators have questionable ownership with regard to BILLIE SOL
ESTES; however, it is his understanding that when the elevators
are paid out, and DAVIS no longer
are liable on any of the notes, ESTES at that time will acquire
some sort of interest in the ownership.
Allied Elevators, Hereford, Texas.
involved in ownership; however, ESTES believed to have made some
cash loans in this enterprise.)
Hale County Grain Company, Plainview, Texas.
has ownership; however, the Hale County Grain Company indebted to
United Eleyators, which is owned by ESTES)
Palo Duro Grain Company, Inc., Tulia, Texas. (CLAUDE E.
DAVIS part owner; however, ESTES believed to have made cash loans
in the construction of this elevator. Ownership papers in name
of CLAUDE E. DAVIS.)
stated that it was sometime in 1961 that he,
first learned that ESTES was having farmers purchase
anhydrous ammonia tanks and thereafter leasing same back to ESTES.
He stated that this information originally came to his attention
sometime in early 1961, whenFarmers Company
asked him what he thought about having farmers sign the various
promissory notes, chattel mortgages and other papers covering
the purchase of anhydrous ammonia tanks which called for a 10%
commission to the farmer to be paid for by ESTES.
stated that he gave no encouragement in this regard
and merely stated that he did not intend to either encourage
or discourage farmers asking him for his observations in this

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SOL ESTES as notes payable.

stated that he had never signed any of connection. the notes, nor did he witness any of the loan papers and would not participate in any of the transactions in any manner whatsoever. He stated that on occasions there had been farmers ask him for his personal observations; however, he usually would not commit himself one way or the other. He stated that he merely made it well known that these transactions were strictly those of BILLIE SOL ESTES and did not involve himself. stated that his office has received many checks from the Superior Manufacturing Company representing the purchase of equipment by various individuals including anhydrous ammonia tanks, grain storage tanks, as well as other miscellaneous equipment used by farmers in growing cotton. stated that upon receipt of these checks from Superior Manufacturing Company, and/or the Lubbock Machine and Supply Company, it was the policy of the Bookkeeping Department to merely debit cash showing the receipt of these funds and to credit notes payable. He stated that the tanks being purchased by the farmers were leased back to BILLIE SOL ESTES and these lease transactions were shown on the books and records of BILLIE

stated that many of the checks received from Superior Manufacturing Company, and/or the Lubbock Machine and Supply Company in Lubbock, Texas, were made payable to the Texas Steel Company, which is merely a bank account only. He stated that to his knowledge there is no Texas Steel Company and doubts seriously whether the account at the First National Bank in Pecos, Texas, even as much as shows an address for this company. He stated that the checks received made payable to Texas Steel are merely deposited in the Texas Steel account at the First National Bank. He stated that at times the checks received from Superior Manufacturing Company were deposited directly to BILLIE SOL ESTES account or the Farmers Company account. If the checks were put in the Texas Steel account, counter checks were prepared at about the same and the money

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was withdrawn from the Texas Steel account and placed in the BILLIE SOL ESTES account.

Re Commission to Individual Purchaser **h6** stated that the 10% commission credit due the b7C farmer or individual purchasing the anhydrous ammonia tank was credited to an account in their name-with the Farmers Company, or, if the particular farmer involved desired, he would be given a check of the Farmers Company. He stated that thereafter, monthly payments on the notes were made to the farmer in check form of the Farmers Company. He stated that as each payment was made to the farmer, his account shown in their books and records was credited. stated that he signed numerous checks made payable to the farmer representing monthly note payments. Actually, the check represented a payment on the lease agreement entered into between BILLIE SOL ESTES and the farmer. However, the books and records of BILLIE SOL ESTES revealed this as a note payable. Re Superior Manufacturing Company and Lubbock Machine and Supply Co. b6

Manufacturing Company and Lubbock Machine and Supply Company would send their check made payable to Texas Steel Company and/or BILLIE SOL ESTES. He stated that in some instances BILLIE SOL ESTES was given credit on the books and records of Superior or Lubbock Machine and Supply rather than be given a check from these concerns. He stated that this was particularly true with regard to Lubbock Machine and Supply inasmuch as BILLIE SOL ESTES frequently owed this concern a considerable amount of money. He stated that BILLIE SOL ESTES usually had a debit balance at Lubbock Machine and Supply. He advised it was his understanding that on each contract sold by Lubbock Machine and Supply that they retain 10% of the principal as a brokerage fee for handling the transaction.

stated that he noted that on Superior's checks which contained a voucher portion, there was frequently

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noted thereon the amount which pertained to principal and the amount pertaining to interest. He stated that the figures also noted on the voucher portion of the check included the amount of the reserve or holdback, which amount he always felt pertained to the monies being held in a reserve fund by the particular finance company. Stated that he showed the full amount of the note as a credit to the notes payable account and debited the portion held back by the finance company in the reserve account. Stated that he was unaware of any percentage held back by the Superior Manufacturing Company, but felt that their fee could have been included in the reserve figure. He stated he was not certain as to the accuracy of this statement.	b6 b70
advised that he has no sure way of knowing whether the note balance as furnished him by Superior may have been more or less than the figures shown in the records of the finance companies. He stated that he has no reason for saying so, but that the possibility exists that the note balance as furnished to him could have been raised or lowered to allow for a commission to the Superior Manufacturing Company.	ъ6 ъ70
stated that to his knowledge, BILLIE SOL ESTES does not have any ownership or interest in any way in either the Superior Manufacturing Company at Amarillo, Texas, and/or the Lubbock Machine and Supply Company at Lubbock, Texas.	ь6 b70
Re Visitors to Billie Sol Estes Enterprises stated that many times visitors coming to the Billie Sol Estes Enterprises were not observed by him inasmuch as many of them came to call on BILLIE SOL ESTES and he therefore might not have occasion to see the visitors as they arrived or departed these offices.	b6 b70
stated that HAROLD ORR of Superior Manufacturing Company was a frequent visitor to the Billie Sol Estes Enterprises.	1{b6 b70

He stated that he met COLEMAN MC SPADDEN on several occasions at meetings of fertilizer dealers at Dallas and also at Lubbock, Texas. He stated that Mr. MC SPADDEN had been a visitor to the Estes Enterprises on one or two occasions at Pecos, Texas. Stated that RUEL ALEXANDER had also visited the Estes Enterprises on at least one occasion to his knowledge.
advised that he may have met R. E. CLEMENTS on one occasion. but does not recall for sure. He stated that he met now associated with the Superior Manufacturing Company, about two years ago when he was with the C.I.T. Corp. He stated that he does not recall seeing at any time during the past two years or since he, became associated with Superior Manufacturing Company.
With regard to August, 1961, to the present time, billie sol estes has been paying a portion of salary as Vice President of the Superior Manufacturing Company. stated that this salary ranges from \$500 to \$625 per month and that the Superior Manufacturing Company sends BILLIE SOL ESTES an invoice monthly calling for one half of monthly salary.
stated that JAMES TURRIFF had visited the Estes Enterprises on many occasions, particularly while employed as a field representative by C.I.T. stated that TURRIFF has had business dealings with ESTES, particularly, had purchased a section of land in Reeves County some time back and subsequently sold it sometime in January, 1962, to BILLIE SOL ESTES. stated that he has had numerous conversations with JAMES TURRIFF, generally in connection with the raising of pecans. He stated he believes JAMES TURRIFF had an idea of planting pecan trees on this section of land purchased in Reeves County. With regard to disbursements to JAMES TURRIFF, stated that he was aware of only two disbursements in this connection, one being in November of 1961 in the amount of \$2,000 and a second check for \$2,500 in December of 1962.

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stated that he was particularly familiar with these two checks inasmuch as a C.I.T. official had visited him several days previously and was making inquiries in regard to disbursements made to TURRIFF while on the payroll of C.I.T. stated that he is unaware of any other cash or check disbursements made by ESTES to JAMES TURRIFF. and General Leasing of Ft. Wavne, Inc., Re Ft. Wayne, Indiana stated that he is unaware of any interest that ESTES might have in General Leasing of Ft. Wayne, Inc. He stated that had been a visitor at the Estes Enterprises on several occasions. He stated that ESTES' dealings with Geneal Leasing are treated like any other finance company, that is, General Leasing is considered a finance company and monies owed to them are shown as a note payable, Re The Chandler Company, Ft. Stockton, Texas stated that it is his understanding that the Chandler. Company is a farming partnership between stated that he does not redall the meeting at the Lloyd Stone Agency in Plainview, Texas, at any time - January, 1960, or any other time for that matter, in which he was a participant. He stated that he has attended many, many meetings and may have participated in a meeting at Plainview in January, 1960, but does not recall any further information in this regard. He stated that the Chandler Company is shown on their books as a note payable account. Notes Payable as of May 8, 1962 Re tated that he personally is indebted to the following individuals or concerns in the amounts indicated: *Bluebonnett Land Corp., \$5,280 \$9,120 *Commercial Credit Corp., \$3,600

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john-déere ,	\$3.137.50	
	utual Life Insurance Company, \$38,200	
A & C Pump (Company, \$890.12	
' Acid Delinte	ers, \$423.02	
Burkholder I	Brothers, \$3,506.55	
The state of the s	ublic Service, \$812.07	
	Company, \$567.58	
	rs Gas Company, \$1,046.25	
	Service, \$247.57	
	ertilizer and Chemical Company, \$6,078.73	
	te Bank Clyde, Texas, \$28,567 ELYN - / No.	
	ton Oil Company, \$75, 174.19	
Kansas City	Life Insurance Company, \$77,500	ъ6
		b70
Waterna In	\$7,746.05. nd Board, \$38,159.01	
	2,722,19	•
First Nation	nal Bank, Baird, Texas, \$8,325	
	given for payments due on land put in this	
year (estimated) \$25,0		
,	,	
Total -	\$356,975.29	
		b6
	stated that in addition, he is indebted to	b70
BILLIE SOL ESTES to the	he tune of about \$150,000. He stated that	
	ment and no note was executed. However,	
	about as a result of ESTES furnishing cash	
in a number of venture		
	ch involves a loan of about \$100,000 from	
	se and development of a pecan orchard in	
	g 1961, amounting to 1,760 acres.	
	on, during 1961 and 1962 he purchased	
940 acres and develope	ed same at Saragosa in Reeves County, Texas.	
	adviced that in addition over the wave	b6
	advised that in addition, over the years ther business investments in addition to	b70
	he entered into with EST ES and subcommentally	
	in 1958 he, along with	
22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	purchased	reading 20
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three farms totaling 740 acres. He stated that subsequently	b6
he bought out and now owns these three farms located in Reeves County.	b70
	b6
formed the Delaware Investment Company at Pecos, Texas, and that at the present time he would estimate that they each have an equity in this concern from between \$25,000 to \$30,000.	b70
stated that the book value of all of his assets in 1956 when he came to work for BILLIE SOL ESTES was \$40,000 and the book value of all of his assets now amounted to about \$88,000.	b6 b70
Re BILLIE SOL ESTES	
stated that BILLIE SOL ESTES was a very difficult man to figure out. He stated that you never knew what he was thinking. He stated that Mr. ESTES was an extreme optimist and possibly had actually sold himself on the idea that it was all right to use finance companies in the way that he did in order to promote his various business ventures.	b6 b70
stated that one of ESTES theories was that if your investment is making more than it is costing you, its a good investment. Stated that he recalled on one occasion advising ESTES that he, ESTES, was paying 38% interest carried forward and that this was too high a rate of interest in order to make out. Stated that ESTES replied that he was only paying 35% interest carried forward and that everything would work out all right. Advised that ESTES claimed to be lining up some long-term financing and felt that this type of financing would permit or allow the paying off of many of the short-term loans and thus make it possible to continue his operations without any difficulty in the way of paying off his indebtedness.	b6 b70

Re Drawing Account	
stated that ESTES' drawing account has always been very active. He stated that numerous charges to this account were in the way of cash without any supporting documents being received to show the purpose of these disbursements. He stated that withdrawals of cash by ESTES in addition to being charged against the drawing account, were also charged to the contract labor account.	b6 b7С
stated that he does not know of any payments of money or the giving of any favors of any kind to MORRIS, JACOBS, Dr. RALPH, or any other employee of the U. S. Department of Agriculture or any employee of any other branch of the U. S. Government. Stated that if ESTES were inclined to give anyone money, he would, in all probability, make the gift in cash rather than issue a check against his own account. Stated that he has never at any time observed any canceled check having been made payable to MORRIS, JACOBS, Dr. RALPH or any other person possibly associated with the U. S. Government.	b6 b7С
stated that ESTES took great pride in knowing important people. He stated that ESTES was a very generous person and it was his personal opinion that any gifts given by ESTES to employees of the Department of Agriculture had been grossly exaggerated.	b6 b7С
Re Personnel Problems	
stated that sometime in the fall of 1961	ь6 ь7с
Docn of the plitte oof pares pureshirses, were	
fired by at BILLIE SOL ESTES direction for causing	
rumors around the office pertaining to the conduct of BILLIE SOL	
ESTES and stated that BILLIE SOLESTES merely telephoned him one morning instructing	
that ha	

EP 29-351 gossip around the office. stated that at about the same time, resigned on her own accord. He stated that to his knowledge, there was nothing between and BILLIE SOL ESTES in the way of a romantic affair. Re Anhydrous Ammonia Tanks stated that he is convinced now that many of the tanks represented in the chattel mortgages, lease contracts and conditional sales contracts executed by various farmers do not exist. He stated that he has come to this conclusion inasmuch as the Lester Stone Agency at Plainview, Texas, had prepared a detailed inventory of all tanks owned or leased by the Billie Sol Estes Enterprises and that the number found was far less than the number represented in the various contracts negotiated. He stated that if his recollection serves him correctly, the total number of tanks represented in this inventory stated that a copy of this came to around 700. inventory could be obtained through contact with the Lester Stone Company at Plainview, Texas. He stated that several days ago he received a call from the Lester Stone Company and authorized that company to furnish a copy of the inventory to a representative of the FBI who had made inquiry for same. Re Agr., Inc., Girvin, Texas stated that BILLIE SOL ESTES was sole owner of Agr., Inc., and that this corporation included a rather large farm over at Girvin, Texas. He stated that this dairy farm at Girvin comprised approximately 13,000 acres, of which 7,800 acres were under cultivation. In addition, it included 12 or 13 homes and several barns. He stated that the farm is currently milking around 500 cows and that he, is actually considered manager of the entire operation. Miscellaneous stated that the day prior to ESTES' arrest,

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which took place on March 29, 1962, ESTES signed a number of

counter checks and	FOOK FRESE	6
counter checks and withdrew approximately \$75,000 f		7C
then in existence at the First National Bank in Pec		
stated that also on the day prior to EST		
	L of the cash	
located in a safety deposit box at the First Nation	nal Bank.	
which he estimated totaled between \$25,000 and \$30,	,000.	
stated that he personally gave this money to BILL		
offered the opinion that if B	TITIE LOOT ROTES	6 7C
does not have a good deal of money "stashed away" s	someplace, he	/0
in all probability has given it to someone.	stated	
that he does not have any idea where any funds have		
away or the identity of any person to whom ESTES ma		
large sums of cash.	Jan 1 3 Gaza	
	_	-6
advised that subsequent to EST	PEC A AMARA A F	6 7C
appeared at Estes Enterprises		70
personal check for \$4,000, which he desired to give		
Enterprises as full payment on a loan of the same	amount received	
from BILLIE SOL ESTES for the purchase of some land		
stated that he accepted the \$4,000 personal check t		
and in turn gave it to	or /	
BILLIE SOL ESTES, both of whom were present in ESTE	ES office.	
He stated that he does not know who ended up with	the check.	
but that he did learn that the check had subsequent		
cashed at the bank by who is no long		
by the ESTES enterprises.	5	
stated that immediately upon	learning or	6
ESTES' arrest on the evening of March 29, 1962, he		7C
the Commercial Solvents Corp. at New York City, who		
had been assigned grain storage income by BILLIE Es		
that he was aware that Commercial Solvents Corp. he	eld certain	¥
liens on properties owned by ESTES and felt that the	hev should be	
advised of ESTES' arrest.	in addition	
he immediately telephoned	Texas.	
He limited acety cetaphoned	1.2.2.2.0	
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He stated that old him that he would be there	_
in Pecos in about an hour and a half. [stated that	,
since it was impossible to d <u>rive to Pecos from Abilene in such</u>	
a short time, he inquired of how he expected to get	
to P <u>ecos in suc</u> h a short period of time. advised	
that told him that	
and that he would fly to Pecos with	
stated that he does not have any knowledge	-
of any sulfcase of any kind being involved in this matter. He	
stated that he is unaware of whether ESTES had used a suitcase	
or any other means in concealing and transporting money or any	
other valuables.	
stated that in order to give the interviewing	
agents a rough idea of the activity in ESTES' drawing account,	<i>/</i> C
he desired to point out that during the calendar year 1961, a	
total of \$271,656.44 had been charged to this account.	

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Date May 14, 1962	
Pelos TEXAS	
advised she is	
and would be very happy to furnish any information which she possesses concerning her employment at the Billie Sol Estes Enterprises. She stated that	
she had been previously contacted by agents of the FBI	
shortly after BILLIE_SOL ESTES had been arrested but that	
since this time she had retained an attorney by the name of Texas, and had been instructed	
that she could furnish any information	
orally but not to give a signed statement unless he,	
had the opportunity to review same before signing.	
was advised that any information furnished	
by her could be used against her in a court of law.	-
stated that she was employed by the Billie Sol Estes Enterprises during the period March 15,	
1961, through April 6. 1962.	
Billie Sol Estes	
in October, 1961,	
stated that her duties were that of a	
stated that shortly after she became	
employed by BILLIE SOL ESTES she received instructions	
originating from to handle all of the contracts	
with General Leasing or Fort wayne, which contracts she stated were subsequently sold to the Heller Company of Chicago.	-
She advised that she handled all of these lease agreements	
and in addition she found that her duties entailed the obtaining	Ē
and compilation of documents which had already been prepared	
and signed for forwarding to either the Superior Manufacturing	
Company or the Lubbock Machine and Supply Company at Lubbock, Texas. She stated that frequently some of these documents	
were notarized by her as a notary public. She stated that	
she was expected to follow the processing of these documents	
n 5/10/62 at Pecos, Texas File # EP 29-351	
, SA Date dictated 5/13/62	
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and see that the loan packages were complete for mailing to the particular seller of anhydrous ammonia tanks.

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With regard to General Leasing of Fort Wayne, Incorporated, stated that they usually referred to this concern as Leasing, Inc. and that she, herself, prepared the lease contracts. She stated that the farmers would then come in and sign the original and four copies She stated that in some instances an equipment contract was executed at the same time calling for the lease of the same equipment from the farmer to BILLIE SOL ESTES. She stated that this was not done on all occasions, but that it was her understanding that the equipment contracts would be prepared at some time or another. stated that the original and two copies of the lease contract were then sent to General Leasing, one was retained in the files of the Billie Sol Estes Enterprises, and one copy was given to the farmer. With regard to General Leasing of Fort Wayne, Inc., stated that she saw this individual on three occasions. She stated that it was her understanding that nhydrous ammonia tank transactions. stated that in order to keep an accurate record of the transactions involving the purchase of anhydrous ammonia tanks by the many farmers and also the subsequent leasing of same to BILLIE SOL ESTES, she maintained a card index in this regard which index was taken by FBI Agents at the time of their search of the Billie Sol Estes Enterprises. She stated that as far as she knew it was complete as to the names contained therein, however, there have been a few instances where an additional card should have been added or perhaps a few of the cards should have been

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3. EP 29-351 removed following the full payment called for under the contract. stated that with regard to signing the many contracts she noted that in some instances the General Leasing contracts were signed by the farmers in blank. She stated that there were many instances where the farmers were asked to sign blank sheets of paper on which their financial information would subsequently be typed and also were required to sign letterhead paper belonging to the farmer. With regard to references given by the farmer for submission to General Leasing and/or the Heller Company, she stated that the desired information would be obtained by her from material already in their files or from BILLIE SOL ESTES. She stated that prior purchasing of the particular lease contract from General Leasing of Fort Wayne, they would send out letters of reference to the particular references listed by the farmer in his application. She stated that when a request of this type was received by the Farmers Company, Pecos, or the Water Well Service in Pecos, or any other company in which ESTES was involved, the particular manager would call her and she would thereafter obtain the desired information and call it back to the manager of either the Farmers Company, Water Well Service, or Equipment Service, or many others. stated that other companies being contacted with regard to reference information included the Pecos Transit Mix, Fort Stockton Implement Company at Fort Stockton, Texas, as well as the Dan Daniel Chemical Company at Fabens, Texas. She stated that in all instances she merely gave out the information orally for inclusion in their letter to the Heller Company.

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who was considered

stated that to the hest of her knowledge

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Estes Enterprises did not participate in anyway in any of the
anhydrous ammonia tank transactions.
stated that she always felt that the anhydrous ammonia tanks being purchased or leased by the farmers had actually existed.
stated that she had absolutely nothing to do with the deposit of moneys to any of the accounts of BILLIE SOL ESTES or any of his enterprises.
stated that she had been introduced to and had actually seen HAROLD ORR, President, Superior Manufacturing Company at the Estes Enterprises on a number of occasions. She stated that she recalled seeing RUEL ALEXANDER on one occasion and had met and observed JAMES TURRIFF on a number of occasions after he left the employ of CIT. She stated that to the best of her recollection she had never
met Mr. ROGERS of the Lubbock Machine and Supply Company and/or Superior Manufacturing Company at Amarillo, Texas.
stated that she never participated in any of the conterences had with farmers relative to the purchase of anhydrous ammonia tanks.
advised that sometime in early March, BILLIE SOL ESTES and instructed her to contact all farmers and have them bring their coupon books into the Estes Enterprises inasmuch as it had been decided that Estes Enterprises would now make all payments on the various loans direct to the particular finance companies involved.
With regard to down payments called for on the purchase of anhydrous ammonia tanks. stated that in most

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cases she did not send any check along with the contract to Superior Manufacturing Company and/or the Lubbock Machine and Supply Company. She stated that the possibility existed that some other employee of Estes Enterprises may have attached a check to the contract prior to mailing, however, she would have no idea of whether or not this was done.

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attorney a	at this	time	, ho	weve	er,	she	cor	side	ers	nim	a fr	ier	nd
and has ha	ad occas	sion	to c	<u>a11</u>	on	him	in	the	past	t.	She	sta	ited
that her	attorney	, is											
	Texas,	and	who	has	ins	truc	tec	l her	: to	fee	1 fr	ee	to
talk to a	ents of	f the	FBI	at	any	time	€.						

by

FEDERAL BUREAU OF INVESTIGATION

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	DateApril 23, 1962	_
	Polos TeXAS	_
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	identity of the interviewing agents; namely, the fact that	b7C
	they were Special Agents of the FBI, that he did not have to	
	make any statement and that any statement made, either oral	
	or written, could be used against him in a court of law, that	
	he was entitled to an attorney, and that no promises of any	
	kind_could be made to him.	
	· ·	b6 b7C
	stated that during the period of late	B/C
	April, 1961, through March, 1962, he was	
	for BILLIE SOL ESTES. He stated that in addition	
	he, on occasions, received an	
	assignment to transport various loan documents which concerned the purchase and leasing of equipment to various farmers in	
	and around El Paso, Midland, Lubbock, Dell City and Fabens, Texas.	
	He stated that he merely delivered these papers to the particular	
	farmer for his signature and was not intimately acquainted with	
	the nature of the transactions.	
		b6
	stated that he specifically recalled	b7C
	delivering papers to the having	
	met them at Champ's <u>Aviation</u> . <u>He stated that on this occasion</u> , date not recalled, General Leasing	
	of Ft. Wayne, Ft. Wayne, Indiana, was with him.	
	The standard of the standard o	
	advised that he recalled being present	b6 b7C
	at a meeting in Midland. Texas. possibly in December, 1961. in	. 570
	the offices ofat	
г	which meeting Mr. ESTES,	
L	along with the <u>four members</u> of this firm and their accountant, attended.	
	accountant, attended. stated that on this occasion, if his memory serves him correctly,	
	signed the necessary loan papers	
	for the purchase of a number of ammonia tanks.	
		b6
	advised he also recalls specifically	b7C
	delivering papers to JIM MC CORMAC of El Paso. He said that he	
_	4/18/62 at Pecos, Texas File # EP 29-351	
On	SA SA	 b6
	SA 71k Date dictated 4/19/62	b7C
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could not possibly recall the identities of all of the persons he had contacted but that his flight log might be of some assistance in this regard, particularly with reference to the dates. advised that his flight log is a permanent record and it would be made available at any time.
stated that with reference to passengers who were employees of the Department of Agriculture, he recalled in September, 1961, picking up WILLIAM MORRIS at Dallas, Texas, and flying him to Pecos and then on to El Paso along with Mr. ESTES, where they attended some cotton festival of some sort. He said in March, 1962, he picked up EMERY JACOBS at Plainview, Texas, and flew him to Pecos and subsequently on to Dallas. He said that also in March, 1962, he picked up
Solvents Corporation in New York City.
advised that who is
for the Superior Manufacturing Company of Amarillo,
Texas, was formerly the pilot with ESTES who preceded him.
said that he was out of a job at the present time and would be away from his home in Pecos for several days, but that he would be available for reinterview at any time and would cooperate in this matter in any way possible.

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Date April 23, 1962

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GLENN ALEXANDER, P. O. Box 825, Abilene, Texas, was advised of the identity of the interviewing agents, that he was entitled to consult an attorney, and that any statement he made, either oral or written, could be used against him in a court of law. Mr. ALEXANDER stated he had retained an attorney and had been instructed by his attorney to cooperate with the FBI in furnishing information orally but not to furnish a signed statement.

Mr. ALEXANDER stated that he was a very close personal friend of BILLIE SOL ESTES and had been associated with Mr. ESTES for a number of years in a business way and also through their church. He said it was some time in December, 1958, or early January, 1959, that he, ALEXANDER, first became involved in the purchase of ammonia tanks for BILLIE ESTES. He said that ESTES told him while in Pecos that he, ESTES, had used up his credit and needed additional ammonia tanks for use in his various businesses. Mr. ALEXANDER said he, himself, was indebted at the time to BILLIE SOL ESTES and inasmuch as ESTES was a close personal friend of his, he did not hesitate to assist him in this business venture.

Mr. ALEXANDER said that it was on or about Janury 29, 1959, that he signed his first contract for the purchase of ammonia tanks and other allied equipment. He said that the first contract was bought by Associates Investment.

Mr. ALEXANDER stated that his own personal file in connection with the purchase of ammonia tanks through BILLIE SOL ESTES was not complete but that he did sign contracts for the purchase of ammonia tanks in fourteen different contracts. He said that the total number of tanks represented in these various contracts numbered about 700.

Mr. ALEXANDER explained the proposition as given him by Mr. ESTES was that he, ALEXANDER, would purchase the tanks and lease them back to BILLIE ESTES, who in turn would sub-lease them or use them on his own cotton farms or rent them through

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one of his retail outlets. He said the papers signed in most instances were done in the presence of HAROLD ORR and in the offices of BILLIE SOL ESTES in Pecos, Texas.

GLENN ALEXANDER stated that in January, 1959, when he first became a party to purchasing ammonia tanks, he thought that he was alone in this business with BILLIE ESTES but later learned that there were several other farmers in and around Pecos who had also purchased ammonia tanks and had leased them back to ESTES. He said it was not until several weeks ago after the investigation resulted in ESTES's arrest and the subsequent publication of various news items relating to the case by the press that he, ALEXANDER, learned that there were many farmers involved in the purchase of ammonia tanks.

Mr. ALEXANDER said that he never thought for one minute during the three years he was involved in this matter that the ammonia tanks did not actually exist. He stated that he felt that the tanks did exist and that they were shipped to BILLIE SOL ESTES by the Superior Manufacturing Company, who, in all instances, were shown as the seller of the tanks.

Mr. ALEXANDER said that the note or conditional sale contract representing ammonia tanks purchased by him were subsequently sold or discounted to Associates Investment, Caprock Investment, CIT, First Acceptance Corporation, Walter E. Heller, Pacific Finance Company, Pioneer Investments, and Southwestern Investment Company. He said that the balances owed on the 14 contracts as of February 28, 1962, according to his records, was a little over \$300,000, and the monthly payments called for on all of these contracts totaled a little over \$12,000.

With regard to monthly payments, Mr. ALEXANDER explained that for the first year, or perhaps year and a half, he, ALEXANDER, or his wife would make out separate checks to

the various finance companies holding the paper. He stated that after about a year and a half this became quite a chore for his wife and he then worked out an arrangement with Mr. ESTES to turn over all his coupon books to Mr. ESTES, who in turn bought cashier's checks in the name of GLEN ALEXANDER at a bank and mailed the particular check, along with the coupon, to the finance company. He stated that this actually required the sending of 14 separate checks to different finance companies each month.

Mr. ALEXANDER said that prior to the time it was decided that ESTES would make the payments through the use of these cashier's checks, he, ALEXANDER, would receive each month separate checks from BILLIE SOL ESTES or the Billie Sol Estes Enterprises covering lease payments on a particular transaction and that he, ALEXANDER, would then in turn make out his own personal check to the finance company.

Mr. ALEXANDER said that on no occasion did BILLIE SOL ESTES or anyone else give him the down payment to make on the purchase of the tanks to Superior Manufacturing Company, nor did he ever receive a "hold harmless" letter from the Superior Manufacturing Company or any other company. He said that on no occasion did he ever receive letters from any company acknowledging receipt of the tanks. In connection with the down payment normally required on the purchase, he said that ESTES always indicated to him that he, ESTES, would take care of this matter.

Concerning a 10% bonus or fee for the use of his name and credit, Mr. ALEXANDER explained that on no occasion did he ever receive any money from BILLIE ESTES or anyone else as a fee for his assistance in the purchase of ammonia tanks. He said on all occasions his fee was received in the form of credit from one of three different companies owned or controlled by BILLIE SOL ESTES. He named these companies as Waterwell Service, Equipment Service, and the Farmers Company, all at Pecos, Texas.

He said that his fee in the way of credit with one or more of the three companies represented approximately 10% of the balance owing on the contract after the down payment had been subtracted from the purchase price.

Mr. ALEXANDER explained that during the three years he was involved with BILLIE SOL ESTES in the purchase of these ammonia tanks, he received several phone calls from various finance companies. However, in each occasion, he would refer the caller to BILLIE SOL ESTES as the person who leased the tanks from him. He recalled specifically receiving an inquiry in this regard from the CIT Corporation.

 $\,$ Mr. ALEXANDER advised that he owns 320 acres of farm land northwest of Pecos at the present time.

GLENN ALEXANDER stated that he has no knowledge of any of his transactions being forged. He stated that he believes that in all instances the contract and/or note involved in the purchase of ammonia tanks bore his correct signature. He stated that he could not be positive of this inasmuch as he had not observed all of the contracts after they had been filed with the various county clerks, but had no reason to believe that his name had ever been forged on any of the notes, chattel mortgages, and/or conditional sale contracts.

GLENN ALEXANDER commented he was not related in any way to RUEL ALEXANDER, one of the principals who is associated with the Superior Manufacturing Company at Amarillo, Texas, in this case.

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the identity of the interviewing a of the FBI, of the fact that she wattorney if she so desired and the orally or in writing could be use law.	ras entitled to consult an attack anything she said, either ad against her in a court of
	che wagi
by the Estes Enterprises	
She stated that	<u></u>
when she typed letters on letterhe companies in which Mr. ESTES had a furnished the names of these compared Pecos, Equipment Service, Pecos, Ewaterwell Service, Pecos, and the Ft. Stockton, Texas. She stated to of ESTES, would on occasions give along with instructions to incorpo particular finance company. She some numerous letters to various finance recalls that some of these letters that she would type the letters of a customer or farmer of some sort on the length of time he had been Company or the Equipment Service Companies and his high credit. Typing these reference letters to use different typewriters. She stated that someone's suggestion. She sure whether it was an attempt to letter or perhaps for some other results of the second of the seco	in interest. Inies as the Farmers Company, Pecos Transit Mix, Pecos, Ft. Stockton Equipment, That also an employee her specific information, Prate same, in a letter to a stated that she recalls typing the companies and specifically the were sent to CIT. She stated and the letter would comment a customer of the Farmers company or any of the other stated that in finance companies, she would tated she used about five the ease various letters and did to stated that she cannot be deceive the recipient of the
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stated that she was

who
has offices in the Bryan-Bozeman Building. stated
that she would prefer not commenting on her reasons for leaving
employment with Estes Enterprises on or about October 30, 1961.

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		Date <u>May 14, 1962</u>
/ .		Date May 14, 1962 Po 605 TeXAS
/		was advised that he
was entitled	to consult an attorne	
was entrined to	ale any statement eit	her oral or written to the
intermiewing	prents He was also	advised that any information
furnished co.	agents. He was also also also also also also also al	m in a court of law
	He be abed against in	in the diodes of tanks
	stated he ha	d absolutely no objection
to being into		very happy to cooperate in
	in any way possible.	
CHILD MACLECT.	in any way pobbabab.	Vaterwell.
Service Compa	any in Pecos Texas, w	hich is owned by BILLIE SOL
ESTES. He st	tated that prior to th	is employment and during
the period J	anuary 1, 1960 to Octo	ber or November, 1960, he
<u> </u>		Farmers Company, which
is also an Es	stes Enterprise.	
	Fetas Enternric	ee He said that from
the Equipmen	Service Company or t	he Waterwell Service
Company, which	ch is affiliated with	the Equipment Service Company.
,		
		in the fall of 1960, BILLIE
SOL ESTES to	ld him that he had use	d most of his credit and
		would be interested in
purchasing a	nmonia tanks in their	own name and thereafter
	ack to Mr. ESTES.	stated that the
proposition a	as outlined to him by	ESTES was that he, ESTES,
would give the	ne farmer 10 per cent o	f the balance due on the
mortgage in	either <u>cash or in t</u> he	way of credit at one of his
business con	cerns. st	ated that the proposition
	and he therearter tel	
personal fri	ends, all of whom are	farmers and outlined the
proposition	to them. He stated th	at after two or three days
he,		the number of tanks ESTES
desired to p	urchase and decided to	talk to
	Eșt	ces Enterprises. He stated
that	did not approve	of the transactions and
	14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
	,	
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Date dictated

and asked the specific question, "Would you sign one of these deals?" To this question stated that he replied in the negative and stated "I wouldn't either." stated that from this moment on, he decided to discontinue	b6 b7С
soliciting farmers or anyone else for the purchase of ammonia tanks for BILLIE SOL ESTES.	
	b6
stated that he asked BILLIE SOL ESTES	b7C
if everything in connection with the purchase of ammonia	
tanks by the farmers was on the "up and up" and whether or	
not the "tanks represented in these purchases actually	
existed." stated that ESTES replied that the	
transactions were on the "up and up" and the tanks did exist.	
stated that a day or two later BILLIE SOL ESTES	
told him that he, ESTES, did not need any more tanks.	
advised that he was pleased to hear this as he did	
not want to have any part in obtaining customers for the	
purchase of ammonia tanks since he questioned the entire deal.	
	b6
stated that he did contact a few of	b7C
his farmer friends and discussed the deal but is unaware	
of whether or not any of these men actually went through	
with any of the transactions. stated that he	
specifically recalled telephoning the as	
well as the stated that he	
believed the did purchase ammonia tanks, however,	
did not participate in negotiating any of the contracts	
or had anything to do with obtaining credit information.	
stated that he did not receive any fee from BILLIE	
SOL ESTES for making several phone calls to his farmer friends.	
advised that to the best of his	b6
recollection, he worked on these transactions a total of three	b7 C
days and shortly thereafter was transferred to the Estes	
Enterprises	
Total	
stated that he was acquainted with	b6
HAROLD ORR of the Superior Manufacturing Company as he	b7C
recalled picking him up at the Pecos airport on a number of	
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occasions. He stated that he was not acquainted with

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RUEL ALEXANDER. He said that he cannot be sure but that he believes he may have met Mr. MC SPADDEN of the Superior Manufacturing Company on one or two occasions. He stated that he was not acquainted with R. E. CLEMENTS.

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stated that with regard to credit given farmers who executed chattel mortgages and promissory notes at ESTES request, he had learned that if the farmer did not desire the 10 per cent commission in cash, the credit he would be given in lieu thereof would be a credit to the Farmers Company. Thereafter if the particular farmer should desire to make a purchase at the Waterwell Service or Equipment Service Companies, that the credit from the Farmers Company would be transferred to the Waterwells Service or the Equipment Service Companies at the farmer's convenience.

FEDERAL BUREAU OF INVESTIGATION

	Date 5/2/62	
	Lester-Stone Fertilizer	b6 b7
Company, 1103 Date, was advised he statement, that any statement he m	aug could be asea agains	
him in court, and was advised of n	is right to consum an	
attorney before making a statement	•	
He advised that in 1956	he and	b6 b7
Texas.		
4	was to devote the	1.
majority of his time to the manage He stated he continued	ement of the fertilizer company.	
		ľ
January of 1959, BILLIE SOL ESTES effort to purchase the Lester-Store ESTES shipped several carloads of Plainview, Texas, and stated he was at 4½ cents a pound or \$90 per too he realized that the Lester-Stone for fertilizer plus \$6 freight from that he intended to have a fertilizer that since he already owned the Unhe merely let his elevator company result of this talk he so his interest to BILLIE SOL ESTES made of the composite of the fat that time. He advised that ES \$70,000 for his half interest in was paid at that time, and the reinstallments of \$10,000 each.	ammonia fertilizer into as wanting to sell fertilizer a. He stated that at this time Company was paying \$88 a ton om Etter, Texas to Plainview, He stated ESTES told them izer outlet in Plainview and nited Elevators in Plainview, y sell fertilizer. He stated ared into selling and stated that ESTES then pany. He stated that ESTES irm, but he declined to sell TES paid the sum of the company, \$10,000 which st to be paid in annual	ь6 ь7
He stated at the time t Company, he purchased two 18,000 factured by Lubbock Machine Suppl tank, six 1,000 gallon field trai He stated that all their equipmen from Lubbock Machine Supply with applicators which were purchased	ler tanks, and two applicators. t described above was purchased the exception of the two	
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	DL 29-1096	
On 4/25/62 of Plainview, Texas	File # EP 29-351	
SAS	100/00	b 6
RAYMOND CEECKENRODE	/saDate dictated 4/26/62	b70

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Company of Amarillo, Texas. He advised that from 1955 until January 1, 1959, he and purchased the following additional equipment from Lubbock Machine Supply: one 12,000 gallon storage tank, one 8,000 gallon storage tank, and twenty 1,000 field trailers and approximately ten applicators. He stated that up until January of 1959, none of the equipment purchased by his firm was manufactured by Superior Manufacturing Company.

He stated that after ESTES entered into the partnership in 1959, the Lester-Stone Company purchased additional one-half million dollars worth of equipment and stated all this equipment was purchased from Superior Manufacturing Company through ROBERT E. CLEMENTS, President. He stated that he estimates that during 1959, some twenty 12,000 gallon storage tanks, two hundred 1,000 gallon field tanks and 100 applicators were purchased from Superior Manufacturing Company by ESTES. He advised that some of this equipment was purchased through HAROLD ORR, Salesman of Superior Manufacturing Company, who frequently called at the Lester-Stone office.

stated that during 1959, ESTES set the sales price of the fertilizer to be sold by that firm; he stated he sold all the fertilizer below cost. He stated ESTES claimed he had some kind of deal worked out with Commercial Solvents Co. who would go along with his price-cutting policies and would still allow a profit to ESTES. He stated that during 1959, the Lester-Stone Company lost in excess of \$300,000. advised that in December of 1959, or January of 1960, ESTES contacted him and pointed out that the company had lost some \$300,000 and his share of the loss would be some \$150,000. He stated that he did not have this kind of money at this time and ESTES agreed to buy him out. He stated that ESTES told him he actually had no equity but that he would "temper the rod with mercy" and would give him \$25,000 for his half-interest in the company. He stated that ESTES paid him the sum of \$5,000 down and agreed to pay him the remaining balance in annual installments of \$5,000 each.

He advised that after ESTES became associated with this company, numerous sales contracts and chattel mortgages were signed by both he and He stated that he believes that on all of the contracts signed by him that the Lester-Stone Company actually received the merchandise described thereon. He stated he has since discovered that although

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he received the tanks, these tanks bear different serial numbers than those recorded on the chattel mortgages and sales invoices. He stated that he has found that on occasions, serial numbers of tanks have been duplicated on two different contracts. He stated he was unable to explain this discrepancy. He stated he has discovered some eight trailers equipped with 1,000 gallon tanks and four applicators presently located at the Lester-Stone plant at Texline, Texas, which had never been purchased by or himself. He stated there is no sales contract or chattel mortgage in support of these trailers and applicators. He stated he was not aware of the discrepancy in the serial numbers described in the chattel mortgages and the serial numbers of the tanks actually delivered until after the arrest of BILLIE SOL ESTES on about March 29, 1962. He stated he never personally checked the serial numbers appearing on the tanks delivered by Superior Manufacturing Company and therefore was not aware that these tanks bore different serial numbers than those described in the sales invoices.

He stated he desires to state that at no time did he sign a contract, knowing that the equipment had not been delivered.

He stated he has recently discovered that there are two chattel mortgages on file at the Hale County Court House, Plainview, Texas, reportedly bearing his signature for the purchase of tanks. He stated that his signature on these two contracts has been forged and stated that it is obvious from anyone who views it that it is not his signature. He stated that one contract dated October 26, 1961, is recorded in favor of Pacific Finance Company and the other contract dated October 27, 1961, is in favor of the Proneer Finance Company. He stated that in addition to these two contracts he has discovered a contract on file at the Court House at Hollis, Oklahoma which was recorded in March of 1962, but reflects that the chattel mortgage is dated in August of 1961. He stated that this chattel mortgage was not signed by him and the signature appearing on this instrument is forged.

He stated his company is presently in the process of inventoring all their equipment assigned to them. He stated he and some of his men have discovered that serial plates have b6

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been screwed on top of the original serial plates of tanks He stated that the original serial purchased by his firm. plate was spot welded onto the tank, whereas the fictitious plates have been riveted on top of the original plates. stated he has reviewed at least six tanks on which a bracket has been welded on top of the original serial plate and a fictitious serial plate riveted to this bracket. He exhibited a serial plate which he claims was removed by Texas, who has some of the Lester-Stone equipment at his plant at Amarillo. He stated that told him he had pried this serial plate from the top of an original serial plate which was spot welded to the tank. He stated this serial plate was on a 2,000 gallon capacity tank and bore the serial number of 7643 recorded on the fictitious plate. He advised that after he completes the inventory of all equipment on hand, he will gladly furnish a copy of this inventory list as assistance in this investigation.

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He stated that during the summer of 1961, BILLIE SOL ESTES instructed to have the Lester-Stone Company repaint all of the equipment assigned to Lester-Stone Company and to make photographs of this equipment. He stated that at the time this order was issued, he thought that ESTES was trying to impress someone and was trying to borrow money He stated he discussed this with on these tanks. stated "Well, I'm afraid it is worse than that. They are changing the serial plates on those tanks." He that he was not going to have anystated he informed thing to do with the practice of changing the serial plates on the tanks held by that company and stated that told him he had refused to have anything to do with the changing of these serial plates when requested to do so by ESTES. told him that ESTES claimed that some of stated that the men changing the plates on the tanks belonging to the Lester-Stone Company were employees of the State of Texas working for the Railroad Commission, inasmuch as some of the serial numbers have been duplicated with some other manu-He stated he knew this was not true, since facturing company. the Railroad Commission had no active interest in the operation of Lester-Stone Company and stated that Later informed him that ESTES had some 50 tanks which he had moved up into the Plainview area from Pecos, Texas. He stated that told him that ESTES claimed these 50 tanks were fully paid for

and that ESTES wanted them repainted and he intended to refinance these 50 tanks. He stated these 50 tanks were the 1,000 gallon field tanks.

He stated that during the physical inventory being conducted by his employees, he has found a 18,000 gallon capacity tank which was manufactured by the Lubbock Machine and Supply Company, Lubbock, Texas, which now has a serial plate on it showing it was manufactured by Superior Manufacturing Company and that it is a 12,000 gallon capacity storage tank. He stated he does not know who changed this serial plate and is unable to furnish any information concerning the change in this serial plate.

He advised that he is acquainted with COLEMAN McSPADDEN, Owner, Associated Growers of Hereford, Texas, but stated to his knowledge the Lester-Stone Company has never had any financial transactions with McSPADDEN or the Associated Growers of Hereford, Texas. He stated that he was not aware of the association between COLEMAN McSPADDEN and BILLIE SOL ESTES until after these two individuals were arrested on or about March 29, 1962. He stated that up until March of 1962, records were maintained by the Lester-Stone Company for the finance company for notes and records. He stated that was drawing checks against Lesterhe discovered that Stone Company and depositing these checks to the credit of accounts identified below. He stated these accounts were maintained in the City National Bank of Plainview, Texas. He stated that in March of 1962, these records reflecting payments to the finance company were moved from the Lester-Stone Office to the BILLIE SOL ESTES office in Pecos, Texas. He repeated that these payments and all transactions in connection with these accounts were handled by

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The Wilson Elevator Company;
The Burson Grain Company;
Patterson Fertilizer Company; and
Johnson Fertilizer Company.

He stated he does not know why the Lester-Stone Company made payments to the credit of the accounts of the above-described individuals or why Lester-Stone Company would make any of the payments to the finance company for these individuals.

He stated that he recalls in the early part of 1960, BILLIE SOL ESTES, HAROLD ORR, and ROBERT E. CLEMENTS appeared at the office of the Lester-Stone Company in Plainview. He stated that they entered into a conference with e stated that later informed him that checks were exchanged between BILLIE SOL ESTES, HAROLD ORR, and ROBERT CLEMENTS. He stated he does not know the details as to this transaction, the amounts involved, or why they would come to the office of the Lester-Stone Company to transact this type of business. He stated that since was in on the conference, he should be able to furnish information concerning this transaction. He
stated he does not personally know for
BILLIE SOL ESTES: however he stated he has heard of the name
and knows that BILLIE SOL ESTES. He
stated he did not see in Plainview, Texas, on
about March 29, 1962 and was not aware of the fact that
Lad come to Plainview on that date. He stated that
if was in contact with any official of the Lester-
Stone Company, it must have been with
and suggested be interviewed concerning
He stated that after he had determined that the two chattel mortgages and notes on file at Plainview, Texas, and the one on file at Hollis, Oklahoma, bore his forged signature, he contacted HAROLD ORR, President, Superior Manufacturing Company, and inquired of ORR as to why his name appeared on these contracts. He stated ORR professed to know nothing about his signature being forged on these documents and assured him that all of the equipment described in the chattel mortgages signed by him and had been delivered to the Lester-Stone Company. He stated that one reason he knows that the signatures appearing on these contracts were not signed by him is that he quit signing all notes in March of 1960. He pointed out that this was because of the fact he was no longer a partner of the Lester-Stone Company and he did not believe he should hold himself liable for the indebtedness of that company.
stated that he does not recall giving a financial statement for anyone. He stated that there is a
financial statement in existence which shows that his net
worth as of December 31, 1959, was in excess of \$400,000 or
that the net worth of the Lester-Stone Company was in excess

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of \$400,000, and this statement is false. He stated that if there is a profit and loss statement showing that the Lester-Stone Company/in excess of \$300,000 net profits for the year 1959,/renders financial statement and profit and loss statement is fictitious. He stated that he at no time ever signed such instruments, and if any of the instruments are in existence they bear a forged signature.

FEDERAL BUREAU OF INVESTIGATION

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5/3/62 Date ___ LESTER - STONE FERTILIZER b6 b7C COMPANY, 1103 Date; was advised he did not have to make a statement and that any statement he made could be used against him in court. He was advised of his right to consult an attorney before making a statement. b6 stated that on October 10, 1955, he entered b7C into a partnership arrangement with retail sale of fertilizer, Plainview, Texas. He stated that the name of the partnership was LESTER - STONE FERTILIZER COMPANY. He stated that the original investment of \$10,000 was supplied by and that he He pointed out that he had formerly worked from 1949 until with PLAINSMAN SUPPLY COMPANY in October 1955 with Plainview, Texas, a fertilizer dealer in Plainview. that the company of LESTER - STONE FERTILIZER COMPANY is the sole proprietorship owned and controlled at the present time by BILLIE SOL ESTES. **h6** began operating the He stated that he and began operating the LESTER - STONE COMPANY with two 18,000 gallon capacity storage b7C tanks, one 12,000 gallon storage tank, six 1,000 gallon field tanks, all manufactured by the Lubbock Machine and Supply Company and either two or four applicators manufactured by DEMPSTER MILL MANUFACTURING COMPANY of Amarillo, Texas. He advised that from 1955 until January 1, 1959, they purchased an additional 12,000 gallon storage tank and an 8,000 gallon storage tank from LUBBOCK MACHINE & SUPPLY COMPANY, Lubbock, He stated he estimates that as of December 31, 1958, the LESTER - STONE FERTILIZER COMPANY had a total of eight applicators, 22 - 1,000 gallon field tanks and two transport trucks, which they had purchased from the LUBBOCK MACHINE & SUPPLY COMPANY. **b6** advised that in the fall of 1958, BILLIE SOL b7C ESTES purchased the SMITH - BAWDEN GRAIN COMPANY, INC., Plainview, and immediately changed the name of this company to UNITED ELEVATORS. He stated that ESTES contacted him at the office of the LESTER - STONE FERTILIZER COMPANY and informed him that he intended to enter the fertilizer field in Plainview. He stated that ESTES wanted to nurchase Fiterest in the LESTER-STONE CO. and nterest in this same firm. offered to purchase EP-29-351 File # DL-29-1096 4/29/62 Plainview, Texas 4/25/62 Date dictated RAYMOND C ECKENRODE and h6 hlf by Special Agent. b7C

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He stated that ESTES made a remark "You know how the fertilizer business is going, its rough and going to get rougher." stated that he knew from this remark that ESTES intended to enter the fertilizer field and intended to cut prices as he had been informed that that was ESTES' practice in Pecos, Texas, area. He stated that he immediately realized that if ESTES went into business in the Plainview area and began selling fertilizer at below cost, that this would break the LESTER-STONE FERTILIZER COMPANY. He stated that his firm was extremely small and did not have the capital needed for the necessary expansion in order to compete with ESTES. He stated that in January 1959 he sold his one half interest in LESTER-STONE COMPANY to BILLIE SOL ESTES for the purchase price of \$75,000. He stated ESTES paid him the down payment of \$9,800.00 in the form of a check drawn on a Pecos, Texas, bank, and agreed to pay the remaining \$60,200.00 in annual installments, due February 1, each year in the amount of \$8,700.00. He advised that his annual payments in 1960, 1961, and 1962, was paid to him in the form of a check in the amount of \$8700.00. drawn on the LESTER - STONE COMPANY. He advised that decided not to sell his interest in the LESTER - STONE COMPANY and remained with the firm as a partner with BILLIE SOL ESTES. He advised that he continued to be employed by the LESTER -STONE COMPANY in the capacity as Manager.

He advised that during 1959 the LESTER - STONE COMPANY paid to the FARMERS COMPANY, owned and controlled by BILLIE SOL ESTES, a total of \$94.25 per ton for the fertilizer purchased from that company. He stated that at the direction of BILLIE SOL ESTES, the LESTER - STONE COMPANY then sold this fertilizer to the farmers in the Plainview. area for a total of \$90.00 per ton. He stated that during 1960 LESTER - STONE COMPANY continued to pay \$94.25 for the fertilizer, but sold the fertilizer at \$85.00 per ton. advised that in 1961 the price of the fertilizer had risen to \$98.25, but that ESTES had instructed him to sell the fertilizer at \$80.00 per ton. He advised that in December, 1961, at ESTES' instruction, he sold fertilizer at a price of \$60.00 per ton. He advised that through the direction of BILLIE SOL ESTES, the LESTER - STONE COMPANY has lost money continuously since 1959 and pointed out that the loss in

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1959 was in excess of \$300,000.

He stated that ESTES continuously made insinuations that COMMERCIAL SOLVENTS COMPANY, supplier of fertilizer to BILLIE SOL ESTES, had agreed to make some kind of a deal with ESTES in order that he would not lose any money at the price of selling fertilizer. He stated that he continuously asked ESTES if COMMERCIAL SOLVENTS had guaranteed him a rebate for the sale of fertilizer and stated that ESTES declined to answer these questions. He stated that he later realized that the main reason that BILLIE SOL ESTES remained in the fertilizer business was in order for him to obtain cash as prepayment on the fertilizer, from the farmers purchasing the fertilizer. He stated that ESTES then would use this money to expand his grain elevator He pointed out that another reason LESTER - STONE storage. COMPANY did not make any money since ESTES became associated with that company is because this company was forced to pay their overhead and the salaries and utility bills of UNITED ELEVATORS, which was owned by BILLIE SOL ESTES. He stated that all funds expended by LESTER - STONE COMPANY on behalf of UNITED ELEVATORS was charged as advances to BILLIE SOL ESTES. He stated that this was an off-setting entry for the accounts payable for the fertilizer received from ESTES.

He stated he estimates that LESTER-STONE COMPANY has the following equipment:

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> Two 18,000 gallon storage tanks Sixty 12,000 gallon storage tanks Seven hundred fifty 1,000 gallon field tanks and Five hundred eighty-five applicators.

He advised that the majority of this additional equipment has been purchased from SUPERIOR MANUFACTURING COMPANY with very few purchases being made from the LUBBOCK MACHINE & SUPPLY COMPANY of Lubbock. He advised that as these pieces of equipment have been received by the LESTER-STONE COMPANY, the serial number, location of the equipment, and a field number has been recorded in a property control ledger maintained by the LESTER - STONE COMPANY. He advised that after both he and L **_sold** their interest in the LESTER - STONE COMPANY to BILLIE SOL ESTES, they continued to sign contracts to purchase additional equipment. stated he desires to point out that at the time he signed each chattel mortgage for the purchase of additional equipment that he honestly and sincerely believed this equipment had been delivered. He stated he now realizes that there is at least one or two contracts and chattel mortgages, bearing his signature, for which he is unable to locate the equipment described thereon.

He advised that he desires to point out that in January, 1960, BILLIE SOL ESTES, for ESTES, and HAROLD ORR, SUPERIOR MANUFACTURING COMPANY, came into the office of the LESTER - STONE COMPANY. and ESTES explained to him that some kind of a that transaction had occurred and that they desired that he deposit a check to the credit of the account of LESTER - STONE COMPANY at the City National Bank, Plainview, Texas. He stated that this check, drawn in the amount of \$233,500.00, on the SUPERIOR MANUFACTURING COMPANY, was made payable to BILLIE SOL ESTES. He stated that from his cash receipts and disbursement journal, he can determine that this transaction occurred on January 22, 1960. He stated then at the direction of ESTES an drew the following checks drawn against the account of the LESTER - STONE COMPANY, made payable to the following individuals: b6 b7C

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Check #5573, payable to R. E. CLEMENTS, in the amount of \$11,675.00.

Check #5574, payable to HAROLD E. ORR, in the amount of \$4,750.00.

Check #5575, payable to BILLIE SOL ESTES, in the amount of \$85,500.00.

Check #5576, payable to the CHANDLER COMPANY in the amount of \$132,100.00.

He exhibited check #5573, payable to R. E. CLEMENTS, which reflects it was endorsed "R. E. CLEMENTS, by H. E. ORR" and was cashed at the CITY NATIONAL BANK, Plainview, Texas, on January 22, 1960. He exhibited check #5574, payable to HAROLD E. ORR in the amount of \$4,750.00 and it was endorsed "HAROLD E. ORR" and cashed at the CITY NATIONAL BANK, Plainview, Texas, on January 22, 1960. He exhibited check #5576, payable to THE CHANDLER COMPANY in the amount of \$132.100.00. and it is endorsed by THE CHANDLER COMPANY by and it is deposited in the Pecos County State Bank, Ft. Stockton, Texas, on January 26, 1960. This check was cut paid at the City National Bank, Plainview, Texas, on January 28, 1960.

He advised that check #5577 was issued on January 22, 1962, payable to BILLIE SOL ESTES in the amount of \$46,075.00. He stated this check was charged to the account of LESTER - STONE COMPANY at the City National Bank on January 27, 1960. He advised that this check was supported by deposit reflecting a check from THE CHANDLER COMPANY in the amount of \$46,600.00 and was deposited on January 27, 1960. He advised that the deposit ticket reflecting deposit of the SUPERIOR MANUFACTURING COMPANY check of \$233,500.00 is dated on January 22, 1962. Check #5575 in the amount of \$85,500.00 payable to BILLIE SOL ESTES and Check #5577 in the amount of \$46,075.00, payable to BILLIE SOL ESTES is missing from the statement of that company. He stated that he does not know where this deposit or the two checks are at this time, but

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pointed out that his records have been reviewed by WILL-WILSON, State Attorney General. He stated he does not know what the above described transactions represent, but noted that the five checks issued payable to R. E. CLEMENTS, HAROLD E. ORR, THE CHANDLER COMPANY and two to BILLIE SOL ESTES, total \$280,100.00 and that the two deposits, the one from SUPERIOR MANUFACTURING COMPANY of \$233,500.00, and a deposit of \$46,600.00 check from the CHANDLER COMPANY, total \$280,100.00 and balance out the exact figure of the five checks previously described.

He stated he does not know who owns The CHANDLER COMPANY and does not know what this company represents. stated that about the same time he executed the above checks payable to The Chandler Company, he also signed 60 checks payable to The CHANDLER COMPANY and dated the check each month for 5 years. He stated that these checks, drawn on the LESTER - STONE COMPANY, on the account of The City National Bank, Plainview, Texas, were originally in the amount of \$3,155.60, beginning February 19, 1960. He stated that the first 12 checks were dated in this amount and beginning February of 1961, the amount of the check decreased to \$2,479.40 and that the amount of these checks decreased to \$1,115.90, beginning February 1962. He repeated that he executed these checks at the direct instructions of BILLIE and has no idea as to what these SOL ESTES and checks represent. He stated that each check is charged to the account of the LESTER - STONE COMPANY at the City National Bank, Plainview, Texas. The offsetting entry for these checks is that they are charged to the account of BILLIE SOU ESTES which reduces the amount owed to him for the fertilizer furnished the LESTER - STONE COMPANY.

stated that he signed numerous chattel mortgages and sales contracts for the purchase of merchandise from SUPERIOR MANUFACTURING COMPANY. He stated that on each of these purchase agreements, he would make out a check drawn on the LESTER - STONE COMPANY, made payable to SUPERIOR MANUFACTURING COMPANY for 20% of the purchase price reflected as a down payment on the equipment to be purchased. He stated that HAROLD ORR, President,

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SUPERIOR MANUFACTURING COMPANY, would then hand him a check drawn on SUPERIOR MANUFACTURING COMPANY, made payable to the LESTER STONE COMPANY in the exact amount. He stated that ORR explained to him that this procedure was necessary as some of the finance companies required that a down payment be shown on the merchandise purchased. He stated that ORR advised him that the finance companies involved were aware of the fact that in reality no down payment was being made and that they were aware of the fact that the checks were being exchanged, which reflected a down payment of 20% was made on the purchase of the equipment. He stated that he did not handle any of the purchase of the equipment from the LUBBOCK MACHINE & SUPPLY COMPANY, as BILLIE SOL ESTES handled the purchase of all of this equipment and made all of the arrangements for the financing. He stated that he never signed any notes for equipment purchased from LUBBOCK MACHINE & SUPPLY COMPANY and at no time exchanged checks with that firm.

He stated that in either June or July, 1961	
FARMERS COMPANY, Pecos, Texas, which is owned	
and controlled by BILLIE SOL ESTES, called him and asked him	
if he recalled the some 50 or 60 tanks that had been moved	
from Pecos, Texas, up to LESTER - STONE COMPANY, shortly after	
ESTES acquired the LESTER - STONE COMPANY in 1959. He advised	
that he recalled at the time ESTES purchased interest in the	
LESTER - STONE COMPANY, ESTES, had in fact moved some 50 or	•
60, 1,000 gallon storage tanks to the Plainview area. He	•
stated that informed him that these tanks were completel	У
free and clear of all financial debt and that he desired that	
these tanks be renainted in order that they could be refinanced	
He stated that informed him that ESTES intended to have	
all of the serial plates removed and replaced on these tanks	
in order that he could finance them. He stated thatin-	
formed him that someone from SUPERIOR MANUFACTURING COMPANY	
would change the serial plates and that all he, would	\neg
have to do would be to send the location of the tanks t	
in Pecos. He stated that he located the tanks described by	_
and at some later date,	
SUPERIOR MANUFACTURING COMPANY, Amarillo, Texas, came by the	
office of the LESTER - STONE COMPANY in Plainview and picked up)

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the list reflecting the location of the tanks, previously stated that he at no time saw any of the serial numbers changed on the tanks in the possession of LESTER STONE & COMPANY, and at no time assisted in or was present during the time any of these changes occurred. He stated that in the latter nart of July 1961, he received a telephone call from one WHEELER FERTILIZER COMPANY, Hereford, Texas, who informed him the representatives. of the SUPERIOR MANUFACTURING COMPANY were changing serial plates on the tanks assigned to WHEELER FERTILIZER COMPANY. He stated that he informed did not have anything to do with the changing of serial plates on these tanks. He stated that he does recall that on one occasion he received a telephone call in which advised him that the representative of some finance company was in his office inquiring as to the whereabouts of the collateral described in the chattel mortgages financed by the finance company. He stated that he recalls advising that he should asked the representative in mind where he obtained the Cadillac he was driving. He stated he made this remark, as he recalls, in the early summer of 1961 and was in the office of HAROLD E. ORR, President, SUPERIOR MANUFACTURING COMPANY, and overheard ORR arguing with some individual who was introduced to him ALTER E. HELLER COMPANY. He stated that OKK subsequently advised him that the SUPERIOR MANUFACTURING COMPANY placed a lot of paper with WALTER E HELLER COMPANY and stated he then remarked to ORR that it sounded like they had been arguing. He stated that ORR then made the remark "Oh well, we don't have to worry about them as they are all driving a Cadillac." He stated he assumed by this remark that the Cadillac described was being furnished by SUPERIOR MANUFACTURING COMPANY. He stated this was the inference meant when he advised_ to inquire as to the manner in which the representative of the finance company had acquired the Cadillac he was driving.

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He stated he has heard, from ORR and other officials of SUPERIOR MANUFACTURING COMPANY, that JAMES TURRIFF, Division Manager, CIT, Dallas, Texas, accepted favors from SUPERIOR MANUFACTURING COMPANY and from ESTES. He stated he recalls that on one occasion HAROLD ORR made the remark that BILLIE SOL ESTES had JAMES TURRIFF in his hip popket and was taking care of him. He stated he gathered from this remark that ESTES was paying TURRIFF for his favorable consideration in the financing handled by the CIT COMPANY for SUPERIOR MANUFACTURING COMPANY. He stated he recalls that on one occasion, ORR advised him he was unable to come to Plainview as agreed as he had to go to Dallas, Texas, and pick up JIM TURRIFF and fly him to New Orleans, Louisiana. He stated he has never been present when any gift or money was given to JAMES TURRIFF or any official of any finance company and has no first hand information of any gifts being made.

He advised that in May, 1960, L.
BILLIE SOL ESTES, Pecos, Texas, advised him that
beginning in May of 1960, he was to set up an account in the
name of He advised that from that date forward,
the LESTER - STONE COMPANY would be making regular payments
to different finance companies in the name of
He stated that subsequent to this date, has contacted
him on three other occasions and has instructed him to set up
accounts in the name of BURSON GRAIN COMPANY, THE PATTERSON
FERTILIZER COMPANY, and THE JOHNSON FERTILIZER COMPANY. He
stated that at no time did inform him as to why these
payments were being made to the finance companies for the
above described people, but stated that beginning in May of
1960 and continuing until March of 1962, the LESTER - STONE
COMPANY has made regular payments to the different finance
companies described to him by He stated that
he opened an account entitled WILSON ELEVATORS at the City
National Bank of Plainview, Texas, and stated that he signed
a signature card against this account in the name of
He advised that once each month, he has drawn checks
against the LESTER - STONE COMPANY payable to the WILSON ELEVATOR

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COMPANY and deposited this check in the City National Bank. He stated that from this account he would then disburse checks in payment to the different finance He identified these payments as companies represented. follows: Pacific Finance Company, \$5,129.00 Pacific Finance Company, \$1,349.83 KUYKENDALL INVESTMENT COMPANY, \$758.34 CIT, \$5,367.42 FAC, \$2,776.95 He stated that he thought up the name as he did not want to sign his name on these checks. that he was not offered any explanation as to why the finance company should be led to believe that the WILSON ELEVATOR, COMPANY was actually making the payments on the different loans obtained He stated that he now underunder the name of contends that his signature was forged on stands that different chattel mortgages financed by the finance companies but stated that he desires to point out that the payment books received from the different finances companies were brought to him personally by L Texas, and that on has contacted him to inquire if he, numerous occasions, has kept the payments current. . He identified the BURSON GRAIN COMPANY as being the grain storage company formerly located in Tulia, Texas. stated this grain company was owned hy He stated that one time were into partnership with the management and ownership of grain elevators located in Tulia and Kress area. He advised. sold out to BILLIE SOL ESTES. that both advised that he opened an account in the name of the BURSON GRAIN COMPANY at the City National Bank and each month drew

checks totaling \$12,871.97 against this account.

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He stated

this account was credited with a deposit in the form of a check drawn by him against the LESTER - STONE COMPANY, each month in sufficient amount to make the payments. He identified the pay-

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ments, and to the different finance companies each month as follows:

First National Bank, Lubbock, Texas, \$866.67
HUMPHRIES & COMPANY INVESTMENT, \$3,236.12
KUYKENDALL INVESTMENT COMPANY, \$866.67
CIT COMPANY, \$4,116.00
SOUTHWESTERN INVESTMENT COMPANY, \$1,163.17
FAC, \$823.34
FAC, \$1,300.00

He advised he drew checks against the BURSON GRAIN

COMPANY ACCOUNT maintained by him at the City National Bank
and signed these checks He stated he thought
up this name as he did not want to use his name in the payments
of the different finance companies, but stated that he could
offer no explanation as why wanted the different
finance companies to think that the BURSON GRAIN COMPANY was
actually making the payments on the loans obtained under that
name from them.

advised that he also set up an account at the City National Bank in the name of PATTERSON FERTILIZER COMPANY. He stated that he used the name of to draw checks against the PATTERSON FERTILIZER COMPANY made payable to the different finance companies. He stated that each month he deposited a check drawn against the LESTER - STONE COMPANY by him into the account of PATTERSON FERTILIZER COMPANY at the City National Bank, Plainview. He stated that the total monthly payments disbursed against the PATTERSON FERTILIZER COMPANY was \$8,486.00 and described the different finance companies as follows:

PACIFIC FINANCE COMPANY, \$4,652.00 PIONEER FINANCE COMPANY, \$ 684.00 CIT COMPANY \$3,150.00

He stated that the name was used by him on the checks made payable to the different finance companies described above as he did not want his name to appear on the checks to the finance companies. He stated he is unable to think of any reason why or BILLIE SOL ESTES would want to mislead the finance companies in believing that the

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PATTERSON FERTILIZER COMPANY was actually making the payments
on the notes to them. He identified as being an
individual who formerly owned a grain elevator and fertilizer
company in Levelland, Texas. He stated he does not know
first name. He further advised that he, at no
time, ever met was never in the
office of the LESTER - STONE COMPANY.
He stated that he also opened an account at City
National Bank, Plainview, Texas, under the name of JOHNSON
FERTILIZER COMPANY. He identified as being
Texas. He further advised
that also sold a grain elevator to BILLIE SOL ESTES.
He stated at the instructions of he opened the
above descirbed account at the City National Bank, Plainview,
Texas, and he used the name of to disburse
checks against this account. He stated that each month he
would draw a check against the LESTER STONE COMPANY made
payable to the JOHNSON FERTILIZER COMPANY in the approximate
amount of \$3700.00 in order that he could make the following
payments to the following finance/companies.
paymones to the rottowing rinance, companies.
OT PI AND OO
CIT, \$1,428.00
CIT, \$1,472.00
PIONEER FINANCE COMPANY, \$830.25
He advised that at no time has he ever met

has never been in the LESTER - STONE

COMPANY Office. He stated that on one occasion, he allowed one of
the Toans to become delinquent in the name of JOHNSON FERTILIZER

COMPANY and Stated that the finance company contacted
concerning this delinquency. He stated that he subsequently
received a telephone call from

BILLIE SOL ESTES, who informed him that the payment past
due and stated that had been in contact with

at Pecos, concerning the delinquency. He stated that ne prought this account into a current status and has continued making

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monthly payments on these notes since that time. stated he is unable to offer any explanation would have him open the above described as to why accounts at the City National Bank of Plainview, Texas, and is unable to state why the LESTER - STONE COMPANY should be making payments to the different finance companies for these individuals. He stated that he now understands that maintains his signature was forged on the chattel mortgages supporting the loans obtained in his name from the different finance companies, but advised that he has consulted on numerous occasions concerning these loans. He pointed to the office of out that often accompanied the LESTER - STONE COMPANY and made inquiries as to whether he, lwas keeping the loans current in name. stated he was not aware that the collateral described in the chattel mortgages financed under the name of the above four individuals was non-existent and stated that he does not know whether the proceeds of these loans were used by. BILLIE SOL ESTES to purchase the different grain elevators purchased from these four individuals. He stated that since the arrest of BILLIE SOL ESTES, he now is of the opinion that the loans obtained in the names of the four above described individuals was actually signed in order that ESTES could obtain the necessary funds to purchase the different grain elevators from these four men. b6 advised that on about March 1,1962, he received b7C a telephone call from BILLIE SOL ESTES from Pecos, Texas, inquiring as to the amount of accounts receivable owed to the LESTER - STONE COMPANY. He stated ESTES informed him that he, was in dire need of a large sum of money and that he, should make all attempts to collect the accounts receivable He stated that on March 20, 1962, he sent a owed that firm. check to BILLIE SOL ESTES in the amount of \$40,000.00, representing funds he had collected from the accounts receivable owed to LESTER - STONE COMPANY. He advised that on March 28, 1962, he drove to

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Amarillo, Texas, in order to cash a check in the amount of \$10,000.00, drawn on the WingATE FERTILIZER COMPANY of Amarillo, Texas. He stated this check had been given him by the WINGATE FERTILIZER COMPANY in payment of fertilizer delivered to that firm. He stated that the reason he drove to Amarillo, Texas, to cash this check is because the City National Bank at Plainview, Texas, had placed the LESTER - STONE COMPANY and BILLIE SOL ESTES on a cash basis and refused to handle any checks.

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He advised that on the afternoon of March 29, 1962, he received a telephone call from ESTES from Pecos, Texas, inquiring if he had any cash available. He stated he informed ESTES that he had some \$23,000 00 swallable he intended to send Texas, to pick up the money The Braced Botto Informed HIM that the finance companies were closing in on him and that he needed the money. He stated that ESTES did not advise him as to the disposition he intended to make of this money. He stated that at approximately 4 p.m. on the afternoon of March 29, 1962, he met at the Hale County Airport, Plainview, Texas, and handed him the sum of \$23,000.00 consisting of \$100 and \$20 bills. He stated this money was in a small plastic zipper bag furnished to him by the First National Bank of Amarillo, Texas. He described this bag as being approximately $4\frac{1}{2}$ inches by 9 inches in size and stated this is the only thing he handed He stated that after handing this money to he returned to his office at the LESTER-STONE COMPANY and has no information as to where delivered this money. He stated that on April 4, 1962, he personally delivered \$2,500.00 to BILLIE SOL ESTES at his home in Pecos, Texas. He stated that he flew to Pecos, Texas, on this date in a plane owned and flown by the MILLERS FLYING SERVICE OF PLAINVIEW, TEXAS. He stated that on April 7, 1962 he personally delivered the sum of \$20,000.00 in cash to BILLIE SOL ESTES at his home in Pecos, Texas. He stated that he made this trip to Pecos in the plane owned and controlled by MILLERS FLYING SERVICE OF PLAINVIEW, TEXAS. He stated he desires to cor-

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rect this latter sum, as he now believes it was \$20,500.00 and that \$10,000.00 is represented by two cashier's checks, each in the amount of \$5,000.00, furnished to the LESTER - STONE COMPANY by the JAMES MASTEN COMPANY of Morton, Texas, and the DEMPS FOSTER COMPANY of Lazbuddie, Texas. He stated the remaining balance of \$10,500.00 was in cash. He stated that when he delivered the money to BILLIE SOL ESTES on April 4 and April 7, 1962, ESTES informed him that he needed a lot of money for attorney's fees and stated that on April 7, 1962, he observed ESTES open the small door located in the den of his home in Pecos and threw this money into a cabinet. He stated on this occasion, ESTES complained to him that he did not have enough money to feed his family or to pay his attorneys. He stated he has not given ESTES any money since April 7, 1962, and has not been in touch with him since that date.

advised that his company is presently in the process of completing a thorough physical inventory of all of the equipment charged to the LESTER - STONE COMPANY. He stated that his company is preparing this inventory check at the direct request of Bankrupty for the BILLIE SOL ESTES ESTATE. He stated that he anticipates completing this inventory of equipment, reflecting the serial number on the different tanks owned by LESTER-STONE COMPANY, by April 27, 1962, and stated that he would gladly furnish a copy of this inventory.

exhibited a copy of a contract financed by PIONEER FINANCE COMPANY, dated November 28, 1961, in the sum of \$76,000.00, reflecting the sale of equipment to LESTER STONE COMPANY. It is noted that this contract cites the serial number of some forty 1,000 gallon tanks by the serial sequence of S-64917-61 through S-64956-61. When questioned as to whether delivery had been made on this particular contract, advised that some 8 to 10 - 1,000 gallon tanks represented by the above contract was still on the lot of LESTER - STONE COMPANY, located adjacent to his office. He requested that a personal inspection be made of these tanks at this time in order to determine if the serial numbers on the tanks agreed with this chattel mortgage.

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Date <u>April 26, 1962</u>

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When a love Tour to ligar	b6
Wheeler Fertilizer Company, Amarillo Highway, was advised he did not have to	b70
submit to interview or make a statement; that any statement,	
either oral or written, could be used against him in a court	
of law; and that he was entitled to consult on attempts if h	
so desired, prior to or during interview.	
The Wheeler Fertilizer Company, according to	_
is owned and controlled by BILLIE SOL ESTES, Pecos, Texas, and	
that he,	
at Hereford, and Black, Texas, receiving a fixed salary of	
\$10,000 per year from ESTES, plus twenty-five percent bonus on	
net sales, which bonus arrangement has never materialized	
since the company has operated at a loss since inception.	b6
stated during the spring of 1961, he was	b70
in receipt of long distance telephone call originating at	
Pecos, Texas. from ESTES, at which time ESTES indicated he	
wanted to change the Superior Manufacturing Company	
serial plates affixed to anhydrous ammonia tanks and Allied Equipment being used by Wheeler Fertilizer Company in their	
business operations. ESTES reportedly indicated representatives	•
of either Pioneer Finance Company or CIT Corporation were on	
their way to Hereford, Texas, for the purpose of examining	
the NH3 tanks assigned as collateral to secure notes discounted	
by Superior Manufacturing Company (Superior) with them.	
stated according to ESTES, unnamed representatives of Superior would bring a quantity of new serial number plates to him at	
Hereford, Texas, which in turn ESTES wanted to substitute	
in place of the old plates, appearing on the tanks in the	
possession of Wheeler Fertilizer Company. said he could	
not now recall whether he sought an explanation from ESTES,	
regarding the purpose for changing the plates, but indicated it was obvious to him that the purpose for doing so was to make	
it appear the tanks in the possession of Wheeler Fertilizer	
Company were synonimous with the collateral securing notes	
held by these finance companies. A day or two later,	
said he received a call from HAROLD E. ORR, then Vice President	
of Superior, which call originated at Amarillo, Texas. ORR	
informed him someone from Superior would be in Hereford, Texas	
	-
On 4/16/62 at Hereford, Texas File # DL 29-1096	- b6
S P 29-351	b7
by SAs RAYMOND C. ECKENRODE & / Date dictated 4/20/62	_

that coming Sunday morning with the serial number plates that ESTES talked about said on Sunday morning, he received/call from an individual identifying himself as being with Superior who stated he was then at the Hereford
Airnort with a package or packages designated for delivery
to <u>drove immediately to the</u> airport,
where he met either Superior or
Superior or both. He said he
was given two or more packages, exact number not recalled
one of which bore a tag with the name on it and
remaining package or packages bore tag(s) bearing the name
MC SPADDEN. The packages were identified to him as contain-
ing the serial number plates about which he had been previous
ly notified and the request was made that he deliver the
package (s) designated for MC SPADDEN to him.
. 1 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -
claimed he was unable to recall the
specific details surrounding this incident but now believes there were two packages bearing MC SPADDEN's name, one
of which he delivered to an employee of MC SPADDEN's
Associated Growers of Hereford, known to him only as
RICHARD, and the remaining package was delivered by him
directly to MC SPADDEN at the latter's home in Hereford.
He expressed an inability to recall the reason for the
separate delivery of these packages and is of the current
impression, exact reason unknown, that when the package
of name plates was given to MC SPADDEN, that
Superior employee, was with him. He said it is possible
was one of the Superior representatives he met at
the airport and that accompanied him from the airport
to MC SPADDEN's home.
alaimad although he accorded the genical
claimed although he accepted the serial
number plates designated for him, which he estimated to have been approximately one hundred plates, he did not abide
by ESTES' instructions and did not switch them with plates
appearing on tanks in his possession. He represented that
these plates were turned over intact as received by him
Attorney General WILL WILSON, at the time he,
testifed before the Court of Inquiry, conducted by
WILSON in Amarillo, Texas, on April 10, 1962.
claimed an inability to recall or otherwise furnish the
sequence of serial numbers which appeared on these name
plates.

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Concerning the above, stated to his knowledge, he was never contacted by any representatives of finance companies to inspect the tanks in question. Approximately a month or two following the above incident he received another call from ESTES, who was then in Pecos, Texas On this occasion ESTES indicated HAROLD E. ORR and were in his office and that they desired he, to assemble as many NH3 tanks and applicators currently in inventory of Wheeler Fertilizer Company and to place them all in a convenient location in order the the carial number plates on them could be changed. said he told ESTES that he personally would not have anything to do with the switching/serial number plates on the tanks, but at ESTES' insistence, he consented to assemble as many of the tanks as he could locate and have them available at Dawn, Texas, a small community located approximately twelve miles east of Hereford, Texas. He noted in this regard during this conversation, he was assured HAROLD E. ORR and/or Superior would pay for any expenses incurred by Wheeler Fertilizer Company in connection with the location hauling and assembling of the tanks, at Dawn, Texas. noted to this date, he has not received any money from ORR or Superior as promised, in connection with the expenses incurred on this occasion. further claimed during this conversation with ESTES, he expressed to ESTES his concern regarding his motives and purpose for changing the serial number plates, and that ESTES assured him there was nothing to fear from the finance company people inasmuch as he "had them paid all the way up". Pursuant to the agreement with ESTES, at the time said he arranged for his employees of the above call to pick up and deliver to Dawn, Texas, approximately twenty to thirty NH3 tanks and applicators, which tanks included some on hand on the premises of the company as well as certain other tanks spotted at various farm sites in and around Hereford, Texas. He claimed he instructed his employees to merely assemble these tanks at Dawn, Texas and immediately after placing them there, to leave the area immediately, and not to be present when the serial number plates were changed. He said within a day or two

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after the tanks were assembled at Dawn, Texas, he recalled Superior, appeared at Hereford, was there to change the serial Texas, and he assumed said he had no direct contact with and had merely learned from a person not now recalled, or the vas in Hereford. fact that maintained he personally had nothing to do with the switching of serial number plates on this occasion and has no direct knowledge concerning the mentity of person or persons responsible for switching the nlates on the tanks located and assembled at Dawn, Texas. stated several days following the assembling and placing of the tanks at Dawn, he arranged for his employees to pick them up and return them to the company and/or the locations from which they were first | he made no effort at this According to time to inspect the tanks to determine if the serial number plates had actually been changed, nor could he state whether the tanks had ever been inspected by representatives of finance companies while they were located at Dawn, Texas. advised in January, 1962, as is the custom followed by the company, he and his employees arranged to repaint the NH3 tanks and applicators carried in the stock and/or inventory records of the Wheeler Fertilizer Company. He said in doing so, it was discovered that certain of the tanks contained serial number plates bearing serial numbers which were at variance with the serial number appearing on the tanks when first acquired by the company. In this regard, he noted in the operations of the business, various quantities and capacities of NH3 tanks and applicators were purchased from time to time and that on receipt of this equipment, each tank was assigned a company stock number with the serial number of the tank involved being recorded on the stock or inventory record. The following schedule reflects a listing of the NH3 tanks and applicators carried in the inventory records Wheeler Fertilizer Company per information provided by This information was compiled from records availwhich records he declined to furnish for inable to spection by interviewing agents. It will be noted the schedule sets forth the alleged present location of the tank in question; the stock number assigned to it, by Wheeler Fertilizer Company; the original tank serial number assigned

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to it by the manufacturer. Superior Manufacturing Company;

and the serial number appearing on it in January, 1962, according to

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Wheeler Fertilizer Company, Hereford, Teps NH3 Tanks actually received and recorded in stock recorder under sales contrasts with Superior Mag. Co.

		recor	de under	pales Core	trasks with	Superior	Mfg, Co.	
	Location	Wheeler Stock	Original Serial No.	Present Serial No.				
	Theeler Fertilizer	No.	39950	39950				
•	" " "		39965	39965				
•	11 11	7.	39964	39964		.		
	11. 11		39955	39955		• •		1
•	" "	1.1.7	39966	39966			.	
	" " "	4	39957	39959				
	4 ,,		39962	39962				
		8	39967	39967				
•	// "	. 9	39947	39947				
	11 11	10	39960	39960				
. 7	, , ,	. // .	39943	54 20 473	.	-		. 1 1 1
**	Pacas, Texas	/2	39961	(a)				
	Kanorado, Kan.	/3	39944	39944				
<u>,</u>	Hkeeler Fertilizer Bovina Tixas	14	39942	39942				
	Bovera Tario	1/4	39945	(3)		-		
	Wheeler Fertilizer	16	399.48	39948				
**		/7	39946	39946				
**.	docation unanawns	18	39954					
	28.12 3. Hi.	19	39958	39959	- -			
**	Socation unknown) Atteles Fertilizer Becov, Tefan Thules Fertilizer	2/	40019	(?)				
	Thule Festil	27	40020	10020				Ę
_	" " "	23	40023	40023				
	" "	24	40018	40018				
`*	11 11	25	40017	50 20475			<u> </u>	
	" "	26 .	40022	40022	/			
•	" "	27	40021	40021				
	11 "	28	40011	40011				
**	11 "	29.	40009	40009				
	" "	30	40014	40014				
	1	3/	40012	40012				
		32	40013	40013				
	Herb, Texas	33	40016	40016				
	Kanarado, Kan.	34	40010	40010				
	Theeler Festilizer	3.5	40265	40265	TORSE TORSE	01-1-2-2	401	
*		. 36	11 1 1	SE 20477				
·	,, ,,	37	40264	40263				
*	11 11	11 1 1	40262	SE 20594				
	11 7,1	39	40007	40007				
	Farmer, Texas	41	40005	40005				
	7 Keeler Kertiling	42	40268	40268				
*	Wheeler Kutilizin		40260	\$ 20472				
**	Bovina Tepas	#3 #4	40258	(3)	'			
	Borina Tefas Akeeler Festilizer	45	40259	40259				
n was		14	40261	SE 20445	1-1-6	3		
	Farmers Co., Pecos, Tex	47	40372	40372				
					•	-		

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	Present	Wheeler					· · · · · · · · · · · · · · · · · · ·		#
	Location	Stack	0	D		`		<u> </u>	
	ocación	No.	Swille	Greent Serial No.	•	· .			
,	Theeler Fertilizer	48	40375	40375					T
	24 L. Telas	49	40371	40371	-				
***	Hut, Tetas Lester Stone Co.	50	38 134	(25)					
*	I Reele Fertilizer	51		SE 20.467					
-*	" "	52	38040	SF 20476					
	" " '	13	38135	38/35				1 .	
	11 11	54	40488	40488					
•	" "	55	40487	40487					
	' 11 //	52	40486	40486					1
**	Bovina, Teras	57	40 48.	(2)					
**	Lester-Stone Co.	18	37191	(P)					
**	11 " "		37190	(2)		-			.
	Wheeler Fertilizer	59	41793	39602	-				
•	" "	61	41224	41224					
	"	62	41226	41226	'				
**	Hub, Texas	63	.41 225	(3)					
ماد دد.	Wheeler Fertilizer	64	41787	41787					İ
**	Thub, Texas	165	41788	(4)					
	Wheeler Fertilizer	67	41786	41786					
	" " "		41823	41823				 	-
**		18	41824	41824					
₩.ze	Lester-Stone Co.	19	41818	1 (1)					
. *	Wheeler Festilizer	70 .	4/820	41820					
	,, ,,	7/	4/822	\$20478					
**	2/15	72	4/8/9	(3)					+
	Hub, Tegas Wheeler Fertilizer	73	41825	41821					
	White Territizes	74	42065	11 1 1					
1	11 11	75 76	42066	42066					
	" "	72	42067	42062	1				ı
**	Hel Teles	78	42068				2		
*	Heelen Fertiling	78	42069	54 20593				14	
	77.00.00					,			
	Hub, Texas Hkeeler Fertilizer Theeler Fertilizer	300	SE 20446	3 3/28		*	1		
	11 11	301	SE 20447	55 20447	· / .				
	" "	302	SE 20 449	50 20449					
**	" "	303	54 20450	(2)					
	" "	304	SE 20451	5 3/27					j
	<i>u</i> "	305	SE 20452	56 20452					li
	" "	306	SE 204/3	S 3118	1 /				#-
**		307	SE 20454	5 3117					
. **	" "	308	SF 20455	(3) (2)					
	" "	309	SE 20456	(4)					
	" "	3/6	SE 20457 SE 20596	5 3019 5 3121					
		31/	SE 20176	5 3/22					
1 1 40 40	1	3/3		H	1 7			11 1 1	1
	 	1 3/3	SE 20178	5.3129	1611	#	++	#	+-
					297				

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	Present Location Wheeler Fertilizer Bovina, Texas Wheeler Fertilizer	1.01				В		
	Tresent	Wheeler	1000	<i>a</i>		`		-
	docallon	Stock	Original Serial No.	Current				
	7.0 1 2.41	No.			177			
	Theeler Fertilizer	3/4	11 1 1 1 1 1	5 3/30				
. مل ري		315	11 1 1 1 1	5 3138				
7-	Bovina, Texas	316	5 2999	(1)		- -		
	Heler Fertilger	317	5 3003	5 3003				
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	3/8	5 300K	5 3004				
	, " "	3/9	5 3005	5 3001				
	11 11	320	5 3001	5 3001			,	
	11 11	32/		5 3006				
	/! II	322		5 3304				
	,, 11		11 1 1 1	1 1 1				
	, , , , , , , , , , , , , , , , , , , ,	323		5 3306 ·				
	" ."	324						
	,,,,,	325	9 3309	5 33 09				
•	li .	326	5 3310	33/0				
•	11 11,	327	S 33// 5 33/2	\$ 3311				
	" "	328		5 33/2				<u> </u>
		329	5 33/3	5 33/3				
	" "	330	5 3318	5 33/8				
	" "	33/		5 332/				
	" "	332		5 3322	•			
	11 11	333	11 1 1 1	5 3323				
	11 11	334		5 3324				
	11 11	11 1 1		1 1 1				
	11 11	335		5 3325				
	" "	336		5 3326				
•		337	5 3327	5 3327	-			' !
	11 "	338	5 3305	5 3305	 			
	it it	339		5 3307				
	" "	340	5 3328	5 3328	- ,			
	"	34/	5 3330	5 3330				
	" "	342	5 3331	\$ 333/				
	" "	343		5 3336				
	" "	344	-11	11 1 1	,			
	,, ,,	345	5 3338	S 3338				
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	•							
		11-1					1	
							1	
. سي								
FOOTN	OTE							
	TANK SERIAL NOS.	CHANGED			 . . 		 	
*4	CURRENT SCRIPC NO.	UNKNOWN -	NOT Checked	AT LOCATION	WDICATES			
✓	Serial Nos. CORRESP	PAN PAR	I WITH TAN	ics Describ	EP ON CONT	ROTE ADMIT	TEDLY SIGNED	/
						1 '		
- 13					,		•	

FEDERAL BUREAU OF INVESTIGATION

April 26,

· Date ___

1962

b6 Wheeler Fertilizer b7C Company, Amarillo Highway, was advised he did not have to submit to interview or make a statement; that any statement, either oral or written, could be used against him in a court of law; and that he was entitled to consult an attorney if he so desired, prior to or during interview. b6 advised in late 1958, or early 1959, he b7C Texas, went to Pecos, Texas, where they contacted BILLIE SOL ESTES, the purpose of the visit being to secure from ESTES, authority to open anhydrous ammonia fertilizer business at Hereford, Texas, as well He said it was known to both as Black, Texas. him that ESTES was a large dealer in fertilizer of this type and had been establishing dealerships in various locations in According to as a result of the West Texas area. the discussions held with ESTES, the latter agreed to annount both Hereford and Black, Texas anhydrous ammonia in the Hereford area. He stated contractual agreements were drawn with ESTES, such instruments being prepared in the and ESTES. As part of the agreement, ESTES indicated he would supply the fertilizer through the Farmers Company owned by him, and instructed this fertilizer was to be sold by them at four and one-half cents per pound, In addition ESTES agreed to furnish as set by ESTES. them sufficient equipment in the form of tanks and fertilizer for use in the application of the fertilizer to the soil following sale to the farmers. **b**6 was extremely evasive concerning It is noted b7C the specific details and circumstances under which this business arrangement was entered. At no time did he ever directly acknowledge that this dealership arrangement was entered as a partnership with ESTES. . b6 claimed following the above meeting with b7C returned to Hereford, Texas, and estab-ESTES, he and lished the dealerships in that city as well as Black, Texas, purportedly without benefit of any formal trade style. DL 29-1096 4/16/62 Hereford; Texas b6 EP 29-351 ns b7C 4/20/62 by SAS RAYMOND C. ECKENRODE & <u>Date di</u>ctated

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claimed immediately thereafter, they were in receipt of a substantial supply of the anhydrous ammonia fertilizer which was received from the Farmers Company, Pecos, Texas. an inability to furnish the per pound cost of the fertilizer but said it was his current impression it was billed at the same price they were instructed to sell it for, that is four and one-half cents per He noted however, under the terms of the agreement entered with ESTES, he and given a flat guarantee of \$10 per ton on all fertilizer sold from ESTES. He said shortly after receipt of the fertilizer, there was shipped to them, about \$50,000 to \$60,000 worth of equipment, believed to have consisted of twenty to twenty-five NH3 tanks, of various capacities as well as ten to fifteen NH3 applicator tanks. He said this equipment was received directly from the Superior Manufacturing Company (Superior) Amarillo, Texas, and that the cost for such equipment was borne by either ESTES or the Lester-Stone Company, Painview, Texas, which he understood was one of ESTES' companies.

According to some three weeks to a month, following the establishment of the dealerships, became dubious of the arrangement with both he and ESTES because of the control which ESTES attempted to exercise over their operation, citing as examples, ESTES' insistence that the fertilizer be sold at prices established and set by him; the fact the fertilizer was being sold at cost without any provision for profit to the dealership, although they were guaranteed the aforementioned \$10 per ton; and that the equipment received from Superior was furnished at no cost to them. otified ESTES he was He said, as a result, withdrawing from the dealership agreement and thereafter received from ESTES the sum of \$5,000 as purported payment of his interest and prior use of his name in the operations of the dealership. In this regard, pointed out during the initial stages of their business operations, and in the sale of the fertilizer to farmers, contracts of necessity were drawn with the farmers, guaranteeing delivery and placement of the fertilizer, which contracts were all drawn in name.

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Following payment of the above money to

ESTES notified that he, ESTES, was going to assume complete ownership of the business and offered to retain of both dealer locations at Hereford and Black, Texas, at a fixed salary of \$10,000 per year, plus twenty-five percent annual bonus on net sales realized. According to at this time, which was early 1959, ESTES also announced that the business would be opened under the trade style Wheeler Fertilizer Company. stated this arrangement has continued in force and effect to the present time. He claimed since 1959, the business has operated without profit and as a consequence, he has never received a bonus as previously agreed with ESTES.

In March or April, 1959, on the instructions of ESTES, he signed on behalf of the Wheeler Fertilizer Company, a conditional sales contract with the Superior Manufacturing Company, covering the sale by that firm to him of some fifteen to thirty NH3 tanks and applicators, the exact number of tanks and amount of this contract not now recalled. He stated this contract was brought to him for signature at Hereford, Texas, by HAROLD E. ORR, who was then a salesman for Superior. He stated it was his recollection either through conversation with ORR, or by virtue of documents involved, this contract was assigned to the Amarillo National Bank, Amarillo, Texas. immediately following the execution of this contract, he received delivery on all of the equipment covered by this He further noted in connection with this sales contract. contract, that down payment required on it was paid by ESTES per agreement, and the subsequent installment payments were made from funds of the Wheeler Fertilizer Company. He further advised on a subsequent date, he was notified that the contract had been sold by the Amarillo National Bank to the CIT Corporation and the required monthly payments were remitted by him thereafter to that company.

said following the execution of the above contract, he recalls signing approximately sixteen additional sales contracts covering the purported sale of various NH3 tanks and equipment by Superior to the Wheeler Fertilizer Company. He claimed in each instance the contracts were signed on the instructions of ESTES and each

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such contract was brought to him by HAROLD E. ORR. He stated on the first few contracts involved, delivery was made of a portion of the equipment covered in the respective contracts and that any equipment called for by the contract and not received by him was alleged to have been delivered to ESTES or one of the various companies owned by him.

Following the execution of the above initial contracts, the equipment called for on later contracts signed by him, was never received at Wheeler Fertilizer He stated at first he questioned the disposition Company. of this equipment, but was always assured by either ESTES. for ESTES, Lester-Stone Company, Plainview, Texas, that the equipment actually existed and had been delivered to various locations as needed by ESTES. He claimed he was always led to believe in connection with these contracts, same were being executed by him as an accommodation to ESTES, and at least at the time, had no reason to question the actual existence of the equip-He noted on all of the contracts involved, the required down payment called for on them was met by ESTES and the subsequent installment payments were made by Wheeler Fertilizer Company. He stated he seemed to recall on one of the contracts above mentioned, the down payment recited in the contract was supposedly made by Superior, but claimed an inability at this time to recall the details and circumstances under

which this contract was created.

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In addition to the aforementioned contracts, signed said he subsequently learned, date not now by him, recalled, six additional contracts have been prepared in the name of Wheeler Fertilizer Company, and purportedly signed by him on behalf of the company. He said such contracts, to his knowledge, had not been signed by him, and therefore could only assume someone had forged his name to them. In this regard, he pointed out one of the contracts which he believed had been discounted with WALTER E. HELLER and Company, which contract was created on a date when he, He said another on vacation, and out of the State of Texas. contract was apparently created and discounted by Superior with the Pacific Finance Company and that he did not know same existed until notified by someone from Superior, or perhaps ESTES, that Superior would mail him a check each month equal to the monthly payments, required on it, which he was to deposit to the Wheeler Fertilizer Company account and issued a

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check in like amount on the company account to Pacific. He stated a check was received each month from Superior, usually signed by RUEL ALEXANDER, the voucher portion of the check indicating it was for the Pacific Finance were Company payment. The checks, according to received from Superior about one week in advance of the installment date of the contract. denied receiving any money from either Superior or ESTES in the form of a "bonus" at the time any of the contracts signed by him were executed. during March, 1962, at a According to time when the various finance companies were conducting investigations with respect to the various contracts and/ or chattel mortgages discounted with them by Superior, Walter E. Heller and Company, as well as an unrecalled official of General Leasing, Inc., of Fort Wayne, Indiana, appeared at his office and questioned him concerning alleged contracts and held by them. until contacted by these men he was completedly unaware that the contracts in question existed. He stated as a result, and while these men were still in his office, he Lester-Stone placed a telephone call to___ Company, Plainview, Toyas and questioned about these He said merely informed him not to worry contracts. or be concerned about these officials questions, and for "where he got the to merely ask Cadillac he was driving". claimed he conveyed. and as a result, the interview was message to terminated and the officials left his office. said this incident recalled to his mind prior conversations he hd with ESTES wherein he sought an explanation from ESTES regarding the propriety of the various contracts and/or chattel mortgages ESTES was having him sign. He stated in such conversations, ESTES would merely tell him not to be concerned about the contracts as he, ESTES, dealt with the top level finance people and everything was taken care of. From records in his possession, which he declined

From records in his possession, which he declined to make available to interviewing agents, identified the following sixteen conditional sales contracts and/or chattel mortgages in the name Wheeler Fertilizer Company as

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those actually signed by him. He noted copies of the instruments relating to these contracts, previously in his possession, had been turned over by him to Texas Attorney General WILL WILSON, at the time of his, appearance at the Court of Inquiry, conducted by WILSON, Amarillo, Texas.

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Achedule of Chattel mortgage Notes Calmittedly Signal by B. S. W Keeller, Hereford, Texas

		Nuy 1	2.3. WK	eu, rai	jora, ju	20
DATE	Equipment Cou	eeed	Sonin L	Nos:	TOTAL AMOUNT	FINANCE COMPANY
6-3-59	8 - 1000 gal. NH-3	TANKS	40501 780	40508 \$	1855140	Associates AVESTMENT CO
6-19-59	53 - (Type UNKNOWN)		UL-3417 That 56-91472 "	1 1 1 1	3576264	Associates Westment Co.
1-8-60	8- 1000 9AL NH3 TAI	VK5	41818 True 41826 "	41825	1697850	TALCOTT (FIRST ACCOPTANCE CONT
1-31-60	3 - NH3 Applicator 25- Phosphoric Acid	TANKS	42354, 425. 40004 FARL		3592963	TALCOTT (FIRST ACCOMMOR CAP)
1	25-NH3 Applicat		A 42438 The	A42454	2891061	Associates Investment 6
3-25-60	18-NH3 ApplicAT	DR5	26292 7606	26309	2053200	C17-
6-25-60	36-1000 GAL NH3 TA	VKS .	SP 9412 TARL	SP9447	3564750	¢/+
	8-CONBINATION NH3 5- 1000 GAL NH3 TA			KU P205-0089	1452000	C17
	20 - NH3 Applicare	.	5200-1113 The	u 5200-/132	22035/2	SOUTHWEST TWOSTMENT CO.
2-4-61	35- APPLICATORS	FANS	SE 14584 Than	SE14618	2489920	217
2-24-61	35- Applicators +	TANKS	5-37042 The	5-37076	2563200	Prince & FINANCE Co.
3-10-61	30 - ApplicaTORS	-	50-22634 77	0 SA-22663	13 50000	COMMERCIAL CRESIT CORP
	75- Applicators		8843 Thau		7884000	Q/T
. "	12 - NH3 1000 9AL	TANKS	SE 2039/11	5 = 2040 =	3	
4-29-61	75-Applicators +	ANKS.	SE 20445 The	SE 20498	6210000	Commencia Credit Corp.
J-22-61	31- 1000 GAL. NH3	TANKS	5-57390 TA	5-57421	2620800	PLONEER FINANCE COMPANY
5-22-61	40 - 1000 GAL NH3	TANKS	SE 22 STU The	V SE 12.785	3252000	Commendine CREDIT CORD
-						
		:	,	r	,	
				, see 155 les		
	<u> </u>			1,72		
			# 			

repeatedly Throughout the interview, evaded specific questions asked of him concerning his association with ESTES, and officials of Superior He likewise evaded furnishing Manufacturing Company. direct answers as to the extent of his personal involvement in the creation of the various sales contracts and/ or chattel mortgages existing in the name of Wheeler Fetilizer Company, aside from the general information noted above. The following is a physical description of obtained through interview and observation: Name Alias . White Race Male Sex Age Birth data Texas 5'17." Height 185 Weight Black-graying Hair Hazel Eyes Med:\um Build Rudďv Complexion Texas Residence Wheeler Fertilizer Company, Employment Highway, Hereford, Texas Marital status Wife Daughters Cla:wms none Arrest record U. Sy Marine Corps, June, 1943 to February Military service 29, 1944, Serial No. 870916, Private Firs Class, Honorable Discharge.

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		4	/27/62	
•		Date		b 6
			TOXAS	b7
		advised he	is currently	
	Panhandle	Associated Gr	ocers.	
Amarillo	, Texas, which he described as an	association of	independent	
grocers	in the Panhandle area.			
3 4		and Jorman	+ he was	b 6
	related prior to the a	OOAG GIIDIOAMAR	t, ne was	b7
employed	from approximately f	or BILLIE SOL	DISTRIBIS	
in the l	D D	ecos. Texas.		
	11 - 1 January 00 20 127 T17 137 MM 211()	III WII GTTOTO	o secure	
3	ising the control of	as various o	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
ment ser	vices in Lubbock, Texas. As a res from the Texas Tech Placement Serv	ice notificati	on of a	
محمد علمانا	mtumitur orgailable with RILLE SUL	EQIED. POUCE.	Tovers	
Job oppo	rtedly was looking for an accounta	He wrem nacme.	. 04224	
farm acc	ounting In this regard!	Monar na ra	*	
	IState o	T Texas. Upon	1 advice	
of the a	bove job opportunity, he contacted	the Thomas E	mproyment	
G & 00	and through them contact was nau v	Tru an emprey	II CIT O DOT	1
vice in	Midland, Texas, which latter firm ation resume to ESTES. Immediate	A PHOLOGY	TTO MOD	J
qualille	d her tolonhone hold	arranged ron	an appoint	
ment bet	within	the next few	days at	
Pecos. T	exas. stated he proceed	led to Pecos,	Texas, met	
with	in ESTES! Office where	introduced ni	m to estes	
and the	job opportunity available there wa	s discussed.	vailable	
ESTES of as that	fered him \$12000 a year and descri	TESTES' vari	ous businesses	
			on them.	
In this	connection he noted he made it cle	ear to ESTES a	na the	
latter	agreed that in the event	accepted the	position,	
he coul	I not as a	emp	loyed by	
ESTES, L	or otherwise cepresent him to an	outsider or In	ra party.	
by ham t	is understanding said he	accepted the	job and	
hegan w	orking for ESTES one week later.	, , , , , , , , , , , , , , , , , , ,		
pogan w			•	b6
	advised during the en	tire period of	time	b7
he was	employed by ESTES there were always	s doubts in ni	S mina	
**************************************		File # DL	29-1096	
/ Injustine	and the same with the same of	EP		
4/1	7/62 Amarillo, Texas	Date dictate	4/23/62	
on	at	Date alcrate	7	
	C PAYMOND C ECKENBODE &		/wvm	b6 b7
by Special	Agents RAYMOND C. ECKENRODE & :]	/ פ

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	as to exactly what position he was filling for ESTES and exactly	
	what his duties supposedly were/consist of. He said in	
	what his duties supposedly were/consist of the said in	-
	reflecting back he would assume that in all probability he	
	was charged with and for about	b6
	five to ten companies and corporations owned by ESTES. He	b7C
	stated among them was Estes Brothers Pecos, Texas, which	
	was considered to be the holding and operating entity of the	
	ESTES enterprises' inasmuch as	
	were kept under this name for all the various businesses.	
_		
L	Parmers Company, Pecos, Texas; Agriculture Incor-	
	porated, Girvin, Texas; Fort Stockton Implement Company,	
	Fort Stockton, Texas; Equipment Service Company, Incorporated,	
	Pecos, Texas; Water Well (complete style unknown), Pecos,	
	Texas; Pecos Transit Mix, Pecos, Texas; Colonial Funeral Home,	
	Pecos, Texas; Pecos Private School, Pecos, Texas;	
	Texas, exact	
	trade style not recalled National Christian Institute.	
	Pecos Texas Vorance Project Pecos Texas noted	
	that during this period of employment, at no time was he per-	
	mitted access to nor did he see the books and records of the	
, A.	Pecos Daily News; United Elevators. Inc.; and Lester - Stone	
	Company, Plainview, Texas. nointed out that although	
	he could be considered as harring hed	
*		
_		
	BILLIE SOL'ESTES at the First National	
	Bank, Pecos, Texas; Farmers Company maintained at the First	
	National Bank, Pecos, Texas, as well as Agriculture Incorporated	
	Time or arriver Tentity & Located Totales & one . Hours on Transfer and Trians Louising	

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individual farmers and firms in furtherance of these lease agreements were substantially all drawn on the bank account maintained under the style of BILLIE SOL ESTES at the First

related that the checks issued to the

as well as anhydrous ammonia tanks.

National Bank, Pecos, Texas, and that some checks also were drawn on the account maintained for the Farmers Company, also at the First National Bank, Pecos. He further advised the conditional sales contracts and/or chattel mortgage notes on file which purported purchase of tanks and related equipment by these farmers indicated such equipment was purchased for the most part from Superior Manufacturing Company, Amarillo, Texas, but contracts of this type also existed indicating alleged purchase of tanks from Lubbock Machine and Supply Company, Lubbock, Texas.

with respect to the account or note pavable ledgers carried on the individuals farmers and firms, said each such ledger sheet was captioned in the name of the particular farmer or firm and that following the name there was noted the identity of the finance company, such as Pacific Finance Company, CIT, etc. The initial credit or liability entry to the account was in an amount equal to the face amount of the sales contract and/or chattel mortgage note on the file, in the name of the individual or firm. Debits entered reducing the account balance corresponded with the amounts of the checks issued monthly to them purportedly in furtherance of the existing lease agreements.

stated that respective accounts were introduced into the ledger following receipt of checks from either Lubbock Machine and Supply Company (LMS) or Superior Manufacturing Company (Superior). These checks when received were alternately payable to BILLIE SOL ESTES; Farmers Company; and Texas Steel Company. stated checks payable to the latter were deposited to an account in that name maintained at the First National Bank, Pecos, Texas. Checks in turn were drawn on this account, payable to BILLIE SOL ESTES in an usually by amount equal to that received and deposited. These latter checks were then deposited to the BILLIE SOL ESTES account at First National Bank, Pecos, which account was carried on the books of ESTES Brothers as "Cash in Bank". [terised the Texas Steel Company account as merely a clearing account to transfer funds from Superior or LMS to ESTES companies. He said this account was karried at a constant balance of just under \$1,000 purportedly for banking appearance.

provided the following resume as to the sequence of entries and the manner in which the funds received from LMS and Superior were handled in connection with sale contracts and/or chattel mortgage notes.

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Checks received initially from LMS were payable to BILLIE SOL ESTES and were deposited to the BILLIE SOL ESTES account at First National Bank, Pecos. On the books of Estes Brothers and assuming the check received was for \$90,000, such amount was entered as a debit or deposit to the cash in bank account. At the same time a debit would be entered to INTEREST EXPENSE for \$46,000 which would représent \$26,000 finance or discount fee of the finance company involved; \$10,000 paid or otherwise credited to the farmer whose name appeared on the contract; and \$10,000 retained by LMS as These debit entries their commission in the transaction. \$136,000, would be offset by credits of \$126,000aggregating to the note or account payable to the farmer (such amount being equal to the face amount of the chattel mortgage note), and \$10,000 to the inter-company account, Farmers Company, on Estes Brothers Books, same thereby purporting an account payable due by Estes Brothers to Farmers Company.

on the books of the Farmers Company, and coincidental with the above series of entries, a debit of \$10,000 would be entered to the inter-company account carried for BILLIE SOL ESTES, purporting an account receivable due, and a \$10,000 credit entry made to the account receivable of the farmer who signed the chattel mortgage note. This had the effect of reducing the amount due the Marmers Company by the farmer for prior merchandise (usually fertilizer) sold him, or otherwise creating an account receivable/balance in his name to be applied against future purchases.

Said there were occasions where Farmers Company issued checks to the farmers in lieu of offset to account receivable or creation of account receivable/balance for him.

said subsequently, exact date not recalled, LMS constructed one or more grain storage facilities under contracts entered with United Elevators Incorporated under terms of which payment of the units constructed was to be Thereafter, no funds were made to LMS over a period of time. received from LMS on chattel mortgage transactions handled through Instead, and using the same examples cited above, said the funds received from finance companies by hms were apparently retained by them and the amounts so received credited against the account receivable due them by United Elevators. Accordingly, ' on the books of Estes Brothers, a debit entry was made to the inter-company account of United Elevators in an amount equal to the discounted note proceeds received by LMS. This entry then purported an account receivable for that amount due Estes The remaining sequence of entries Brothers from United Elevators.

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cited in the prior example were also followed in this instance on the Estes Brothers records, as well as Farmers Company books. In addition, however, and on the books of United Elevators, an account payable was set up due to BILLIE SOL ESTES equal to the account receivable created on Estes Brothers books for United Elevators. At the same time the LMS account payable on United Elevators books was debited or reduced by the same amount.

said with respect to the checks received from Superior, comparable entries were followed as cited in the first example above, except that no provision was made for a fee retained by Superior on the transactions. He stated in view of this, he could only conclude that apparently no funds were being retained out of the transactions by Superior. related throughout his employment with ESTES he strongly suspected, and in effect resolved in his own mind, that the transactions above described were ir regular and that ESTES was engaging in questionable activities involving chattel mortgaget notes on anhydrous ammonia tanks. He stated it was obvious to him the tanks and related equipment described in the chattel mortgage notes were probably non-existent in view of the checks received from Superior and LMS, and the extraneous accounting entries made in the records of ESTES' various He stated the fact no equipenterprises with respect to same. ment or inventory records were carried in the records for the tanks supposedly leased by ESTES was further evidence, at least in his mind, that such equipment did not exist. He pointed out, however, no direct knowledge ever accrued to him to substantiate said he questioned his suspicions. one or more occasions concerning the transactions, but never: received direct answers to his questions from stated on one or more occasions, he voiced concern to and the latter would always assure him there was no reason for such concern as the finance companies were aware related he never determined of what was going on. meant by this remark or the significance exactly what of it.

stated he was without knowledge as to the manner or circumstances under which the sales contracts or chattel mortgage notes were prepared or how they came into being. He noted recent publicity attendent to this matter regarding the preparation of these contracts, and financial statements and credit information on mortgagors by employees in ESTES office, was the first knowledge he had that this

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ESTES.

practice was allegedly followed. commented to his knowledge, no confidential ledger as such was maintained by ESTES in commented to his knowconnection with the transactions involving anhydrous ammonia tanks. claimed in looking back over the period of his employment with ESTES he feels he had unconsciously made efforts not to know what was going on and consequently he never pursued or otherwise attempted to verify the suspicions existing in his mind regarding ESTES and his activities. related he was without knowledge of any investigations conducted by finance companies regarding collateral securing chattel mortgage notes held by them nor was he ever aware of any practice followed by ESTES or any of his employees involving the changing of serial number plates on anhydrous ammonia tanks. He said he does not believe any such activity occurred during the period of his employment and that his first knowledge that such went on was as a resultaof recent publicity in newspapers and on various other news media. He further claimed he had no information regarding the nature, purpose or extent of any credit arrangements entered by ESTES with the various finance companies. During the six months he was employed by ESTES, [said he recalled seeing COLEMAN D. MC SPADDEN at ESTES' office on about two occasions but at no time was he ever aware of the purpose of such visits. He said no information ever came to his attention to suggest or indicate there was any association or business arrangement existing between ESTES and MC SPADDEN. He said on the contrary, it was always his impression that they were competitors in both grain storage business and the fertilizer business. related there were numerous instances wherein certain expenses were paid from company funds which did not appear to have any relation to the company's business. He cited as an example on an average of two or three times each month Lastovica Jewelers, located in Temple, or Waco, Texas, drew drafts against the BILLIE SOL ESTES account at the First National Bank, Pecos such drafts averaging between \$3,000 to \$6,000 each. He saithere was never any indication from the drafts to indicate the purpose for which they were drawn and by the same token he had never observed any billings from this company in connection with the drawing of the drafts. He further advised during the six month period of his employment, checks totaling between \$80,000 and \$90,000 were disbursed against the BILLIE SOL ESTES account at the First National Bank, Pecos, Texas, to the Heritage House, a speciality store located in Pecos, Texas, in payment of charge purchases made there. He said it was his recollection that these checks were charged to the personal drawing account of BILLIE SOL In addition, related immediately prior to depart-

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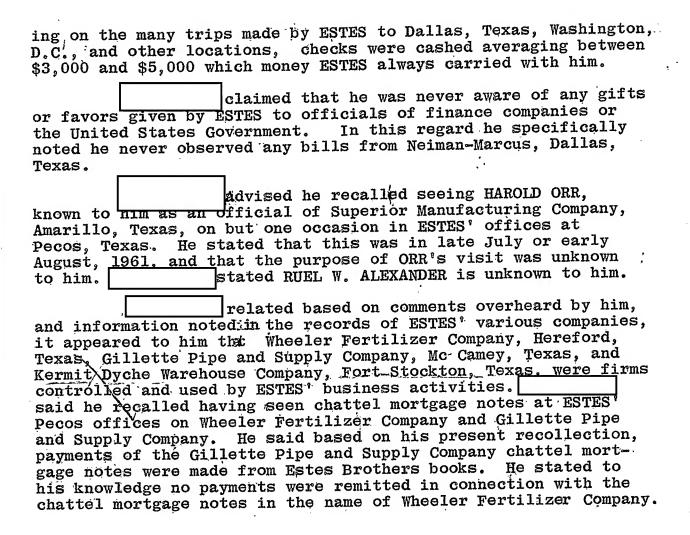
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IV. INTERVIEWS
OF SUPERIOR MANUFACTURING COMPANY,
AMARILLO, TEXAS

1.						•	•	•	Page 183
2.	Superior Plant	•	•	•	•]	•	•	196
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by Special Agents

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TOVÄS
was advised that he did not have to make a statement
and that any statement he made could be used against him in
court. He was advised of his rights to consult an
before making a statement.
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advised that he began working with CIT Finance
Company on April 29, 1955 at Dallas, Texas and was immediately
assigned at the Houston office. He stated that in February
Amarillo, Texas. He stated he covered 94 counties located in
the Texas Panhandle and South Plains area. He advised that
in June of 1959 his territory was split and he then covered
47 counties out of Amarillo, going as far South as Denver
City. Texas. He advised that his
[· · ·
He stated
at no time did he make any decisions as to whether a loan
would be accepted and he in no way acted as a credit man
passing upon the individual contracts submitted to the Dallas
office of CIT. He stated he at no time made any effort to make
any collections for CIT but was merely a field representative
whose primary duties consisted of obtaining new dealers to handle
their paper through CIT. He advised that his immediate superior
was JAMES TURRIFF, Division Manager, CIT, Dallas, Texas.
He stated that upon arrival in Amarillo he immediately
contacted Mr. ROBERT E. CLEMENTS, President, Superior Manufacturing
Company, Amarillo, in an effort to become acquainted with him.
He stated that CLEMENTS had been financing sale of pressure tanks
and other items manufactured by his company through CIT for a
number of years, and stated that this was not a new account.
He stated that he continued transacting business with CLEMENTS
until CLEMENTS sold the business to HAROLD ORR and RUEL ALEXANDER
in about May of 1960. He stated that both ORR and ALEXANDER had
been employees of Superior Manufacturing Company during the
period of time it was owned by CLEMENTS and that therefore, he
was acquainted with both ORR and ALEXANDER. He stated that after
they assumed the management of the company, he continued to con-
tact them frequently as they financed the majority of their sales
File #
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on 4/17/62 at Amarillo, Texas Date dictated 4/18/62

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RAYMOND C. ECKENRODE/cah

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through CIT. He stated at the time of this acquisition of Superior Manufacturing Company by ORR and ALEXANDER, he had no reason to question their honesty or integrity and that he continued his efforts to make sure that they were satisfied with the services being rendered to them by CIT.

He stated that in his capacity

Lubbock Machine and Supply Company, Lubbock, Texas. stated that this company was owned and managed by T. A. ROGERS, President, and stated that he had frequent contact with ROGERS in discussing the different contracts to be He stated with his frequent contact with T. A. ROGERS, he at no time ever discussed the business or financial affairs of Superior Manufacturing Company, and at no time suggested that ROGERS began handling paper for the tanks manufactured by Superior. He advised that he does recall that ROGERS asked him what he thought about BILLIE SOL ESTES, Pecos, Texas, and stated that he had told ROGERS that he had a great deal of respect for ESTES but that ESTES was in a bad financial condition and was unable to file a certified copy of his financial condition. He stated to this extent he advised ROGERS that he might want to check into the financial arrangements of BILLIE SOL ESTES before he became associated with him. He stated that at no time was he aware of the fact that ROGERS was acting as a broker and handling the numerous contracts submitted him by ESTES purporting to show sales of Superior manufactured tanks to the different farmers in the West Texas area.

He stated that he has known BILLIE SOL ESTES for some five or six years and stated he always considered ESTES to be honest, but quite a risk taker in his financial affairs. He stated in about October of 1960 ESTES offered him a job at a salary of \$17,500 a year to handle the financial affairs of ESTES' enterprises. He stated that at that time he told ESTES that he would not be able to do the job ESTES wanted done and that he declined the offer. He stated that shortly after ESTES offered him the job HAROLD ORR and COLEMAN McSPADDEN contacted him and offered him a job as management consident of the financial affairs of Superior Manufacturing Company

at a salary of \$13,000 a year plus an option to purchase 15 per cent of stock of Superior Manufacturing Company. He stated at the time this offer was made to him he discussed the offer with JAMES TURRIFF, his immediate superior of CIT in Dallas, who merely told him to think the job offer over. He stated he decided to remain with CIT as he had some six years experience with that firm, and so advised ORR that he was declining the offer to go to work for Superior.

He stated about the latter part of October, 1960, COLEMAN McSPADDEN called him from Lubbock, Texas and asked him to meet him (McSPADDEN) at the Ramada Inn, Amarillo, Texas. He stated that he met McSPADDEN at the Ramada Inn at which time McSPADDEN offered him the sum of \$500 per month as management consultant for Superior. He stated at this time McSPADDEN informed him that he could continue to work for CIT and that he would strictly be in an advisory capacity with Superior Manufacturing Company. He stated that during these discussions it was made plain to McSPADDEN that no financial transaction would be involved and therefore no conflict of interest between his job with CIT and Superior Manufacturing Company. He stated that McSPADDEN informed him that HAROLD ORR: was a very young man and very inexperienced in the management field. He stated that McSPADDEN persuaded him to be a consultant for that firm and stated that he received \$500 in salary from Superior Manufacturing Company from November 1960 until about July 20, 1961. advised that on about July 20, 1961 he resigned from CIT Finance and became a full-time employee of Superior Manufacturing Company.

advised that about March or April, 1961,
HAROLD ORR, President, Superior Manufacturing Company, called
him and advised him that JAMES TURRIFF, Division Manager,
CIT, Dallas, Texas, had called BILLIE SOL ESTES in Pecos,
Texas and advised him that ORR should contac

Senior Creditman for CIT in Dallas. He stated that
wax informed him that had taken upon himself to
personally call the different farmers signing the contract

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to purchase tanks manufactured by Superior Manufacturing Company to determine that they had actually signed the mortgage and had actually received equipment cited in the chattel mortgage. He stated that ORR advised him that this was causing the farmers to become concerned as to why their signature should be questioned on the contracts and mortgages and that it was disrupting the operations of Superbr. He stated that ORR then called and requested that he fly to Amarillo, Texas to meer with ORR, RUEL ALEXAN<u>DER. V</u>ice President, S<u>uperior</u> Manufacturing Company and | He advised that flew to Amarillo Texas and at a meeting held with ORR, ALEXANDER, and himself, ORR offered job of becoming credit manager for Superior Manufacturing Company. He stated that ORR informed that the job would not be available for some two months but stated that he did not at anytime hear a price offer made by ORR. stated that no immediate decision was required on the part of subsequently returned to Dallas and remained as senior credit officer of CIT. dvised that he at no time heard ORR offer any payment or bribe for consideration of his decisions on the contract submitted by Superior Manufacturing Company to CIT and stated he was not aware that any sum. of money had been given to until about June or July, He repeated that the sole purpose of this meeting was an effort to stress upon that if he continued calling the individual farmers signing the contracts and chattel mortgages for the property sold to them by Superior Manufacturing Company that this would disrupt the financing of the items manufactured by Superior since the farmers would get concerned as to whether there was somethine wrong with the individual contracts. He advised that he could never quite understand why JAMES TURRIFF, Division Manager, CIT, Dallas, had called ESTES and had ESTES contact ORR who subsequently informed him was calling the individual farmers signing the contract. He stated that he does not understand why THRRIFF did not call him direct and ask him to contact pr why TURRIFF himself did not advise as to the results of his actions.

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He stated in the latter part of June, 1961 at approximately 5 PM one Sunday afternoon, JAMES TURRIFF called him from Dallas, Texas and informed him it would be necessary for him to come to Dallas the first thing the next morning. He stated TURRIFF did not inform him as to the nature of his trip to Dallas. He stated less than ten minutes after he received this call from TURRIFF he received another telephone call from HAROLD ORR, Presiden Superior Manufacturing Company, who informed him that had reported his trip to Amarillo to meet with Superior officers to the New York office of CIT and that as a results of this disclosure there was trouble in the CIT office in Dallas. He stated that in addition to this ORR informed him that had claimed he (ORR) had purchased clothing on a prior trip to Amarillo.

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He stated that he flew into Dallas, Texas in compliance with the request of TURRIFF and at this time was informed that in the March or April meeting with in Amarillo ORR supposedly placed a sum of money in an envelope and gave: this to He stated that he learned that had helu on to this money for some six weeks to two months and had then contacted an official of CIT and New York City. He advised that as a result of the suspicion placed upon his integrity for attending the meeting between and ORR and ALEXANDER, he voluntarily submitted his resignation and terminated his employment with CIT on July 20, 1961. He repeated that he was not aware that ORR had placed any money in an envelope and given it to and had never heard ORR discuss this matter with anyonel

He advised that after resigning from CIT he became vice president of Superior Manufacturing Company and was in charge of the different operations of the company from that day until March 31, 1962. He advised that his salary at Superior Manufacturing Company was \$250 per week and stated that until about March 27, 1962 he had no knowledge of the fact that BILLIE SOL ESTES was paying one half of his weekly salary. He advised that he learned of this fact after returning from a trip to Phoenix, Arizona and after the numerous publicity given to the financial affairs of BILLIE SOL ESTES, ORR, MCSPADDEN and ALEXANDER. He stated that

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he'then learned that each week BILLIE SOL ESTES would forward one half of his salary to Superior Manufacturing Company to be applied towards his pay check. He stated he obtained this information through his wife who had been informed by

Superior Manufacturing

Company, who informed his wife that this information had been supplied by Superior Manufacturing Company.

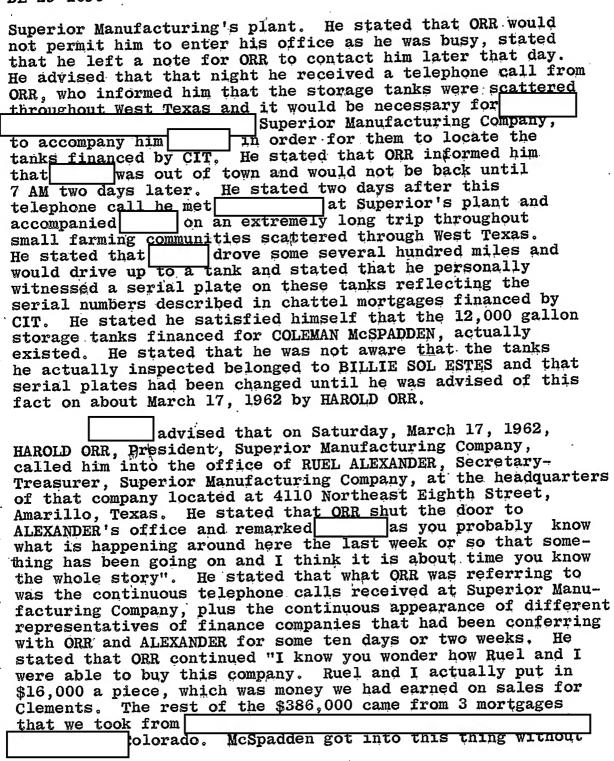
He advised that during the time he was employed for Superior Manufacturing Company on a full-time basis, he had no contact with the many contracts rendered into between the customers of Superior Manufacturing Company and the firm. stated at no time did he secure any credit references or financial statements from any of the customers signing the chattel mortgages and notes for Superior Manufacturing Company and was not aware of the extent of these transactions. He stated that from the time he began working full time for Superior Manufacturing Company he noted a distrust on the part of ORR and He stated each time he would enter his office he would notice that ORR or ALEXANDER would close their door and enter into "a huddle conversation" between themselves. He advised that ORR and ALEXANDER would not confide in him as to the overall operation of Superior Manufacturing Company and stated he had no way of knowing they were actually preparing chattel mortgages and contracts on property which did not exist. He stated he knows nothing concerning the changing or altering of serial numbers on the tanks manufactured by Superior Manufacturing Company and was not aware of this until shortly prior to the arrest of ORR, ALEXANDER, McSPADDEN and BILLIE SOL ESTES.

He stated that he desires to explain that about

January of 1961, while he was still employed by CIT as a

he had attempted to verify the 12,000

gallon storage tanks secured by a chattel mortgage and financed through CIT, was supposed to belong to Associated Growers of Hereford, owned and controlled by COLEMAN McSPADDEN. He stated that after spending a greater portion of one day attempting to locate these tanks he was unable to do so. He stated that he then returned to Amarillo and attempted to contact ORR at



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"a damn dime. The only cash put into this business is the \$16,000 Ruel and I put in". He stated that ORR explained to him that had signed two fraudulent. mortgage contracts and that Colorado had signed one fraudient mortgage contract, which raised enough money for ALEXANDER and ORR to purchase Superior Manufacturing Company. He stated that ORR continued that as the monthly payments on these fictitious mortgage contracts amounted to only \$6,000, he and ALEXANDER knew that the company could meet these payments from the profits realized by the company. stated that ORR info Shortly after we took over the company old got in trouble with the government on grain storage and he came running in here and demanded that we take him off the \$470,000 in fraudulent notes or he was going to spill the beans. This shook us up. We approached Coleman McSnadden and he agreed to take over the \$470,000 debt for stock in Superior Manufacturing Company. Things relaxed and later contacted McSpadden and demanded McSpadden take over the rest of \$400,000 in legitimate debts owed by Shortly after this attorney contacted us and threatened to squeal about fictitious contracts if we didn't give him \$25,000,"

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He stated that ORR continued "Coleman came to Amarillo from Hereford and met with us here at Superior and we informed this attorney that we did not have the \$25,000 he demanded." He stated that ORR informed him that he, ALEXANDER, and McSPADDEN were able to raise \$10,000, which they gave to this attorney, name not recalled. He stated that they agreed to pay this attorney the \$15,000 balance of the \$25,000 demanded. He stated that ORR related that shortly after this occurred, and he believes some two months elapsed, that BILLIE SOL ESTES contacted ORR by telephone and stated he was in trouble and had to have \$200,000. He stated that ORR claimed that he informed ESTES that he did not have the \$200,000 and he could not raise that amount. He stated that ORR related that ESTES then remarked "Well, you had better get it for if I go under you will go under too." He stated that he believes what ORR meant by ESTES' remark

was that BOB CLEMENTS, former owner of Superior Manufacturing Company and BILLIE SOL ESTES, had been involved in the past and that ESTES knew that CLEMENTS got out of this Superior Manufacturing Company by the execution of fraudulent contracts that permitted ORR and ALEXANDER to purchase Superior from CLEMENTS. He stated that ORR then remarked "From that time on there was one call after another from Estes. As soon as we bailed him out of one trouble, he would call us again." He stated that ORR then remarked "The crazy thing about this whole damn thing is that Ruel and I never got anything out of this truing."

stated that ORR then admitted to him that Superior Manufacturing Company had instigated some nineteen million dollars in contracts financed by finance companies and admitted that of this nineteen million, sixteen million dollars was "bogus". He stated that ORR remarked to him that although CIT Finance Company might not know it, they were in much better shape than any other finance company.

He stated that ORR then laughed and told him about the incident that occurred in about January of 1961, in which had demanded to inspect the property being financed by COLEMAN McSPADDEN. He stated that this property consists of 12 - 12,000 gallon storage tanks. He stated that ORR admitted He stated that OPR then to him that the property did not exist. turned to ALEXANDER and remarked "When this damn guy wanted to check Coleman McSpadden's tanks, you remember you said you couldn't find them and I had to have _____take you out to look for them? those were not McSpadden's tanks you inspected, they were Estes! and had to work all night changing tags." He stated he then asked ORR how this could have occurred since he personally looked at the serial tags on the tanks and they agreed with the serial numbers on the chattel mortgages for McSPADDEN's tanks. He stated ORR then told him that he had not looked at the right place, the serial number plates had been added to the tanks by the previous night and that the real serial numbers were mounted on the tank itself behind the compressor. He stated that he then asked ORR about the 15 men that CIT sent out to inspect the tanks in Pecos and the Hereford, Texas area.

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that ORR then laughed and stated "Boy, that was like a 3 ring circus. We had people running around all night pulling trailers in and out. They would assemble tanks for inspection one day, pull them away that night for a different inspection the next day and change the plates during the night."

He stated that ORR and ALEXANDER admitted to him that in about June of 1961, when CIT sent an auditor to Amarillo to examine the cash receipts journal of Superior to ascertain the down payment made, manner of down payment and who had actually made the down payment on each of the contracts financed by CIT. He stated that ORR and ALEXANDER admitted they were advised in advance of the arrival of this CIT auditor by BILLIE SOL ESTES. He stated that ESTES was informed of the contemplated CIT audit by CIT, New York City, New York. He stated that ESTES had informed them as to exactly what the auditor would be looking for and the necessary books that would have

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to be prepared to pass this audit.

He stated that ORR and ALEXANDER admitted to him

Superior Manufacturing Company. spent all night typing invoices, copies of invoices, signing receiving invoices, while ORR and ALEXANDER completely rewrote the cash receipts and disbursement journal. He stated that ORR claimed that at 4:30 AM the night that they worked preparing these fictitious company records, that he collapsed from exhaustion. He stated that ORR claimed were instructed by him to lay the cash receipts and disbursement journal on the floor and jump up and down on it to make it look as though it had been used and worn. stated that they then threw the cash journal back and forth in order to give it a used appearance. He stated that also put grease on their hands and fingers in order to leave the impression that the invoices had been actually handled by truck drivers who had delivered the tanks to the individual farmers whose name appeared on the fictitious contracts.

stated that he recalls that an auditor of CIT, working out of the New York City office, arrived in Amarillo in about June of 1961 to conduct an audit of the He stated that he drove this auditor to Superior Manufacturing Company and stated that the auditor contemplated it would take some 5 days to a week to complete the necessary audit. He stated that ALEXANDER took the auditor into his office and within a matter of an hour and a half, had shown him the manufacture invoice for the tanks, the delivery receipts, cash down payments received through the cash receipts journal, and all the necessary papers needed to establish the fact that each of the bogus sales was a legitimate transaction. stated that he recalls that after this one and a half hour check by the auditor, he left the office and congratulated RUEL ALEXANDER on the very efficient records maintained by Superior Manufacturing Company. He stated that these records are the ones which ALEXANDER and ORR admitted, on March 17, 1962, were wholly fictitious. stated that these were the ones in which ORR admitted had been prepared the night before the arrival of the auditor. He stated it was only at this time that he became aware of the fact that ORR and ALEXANDER had been preparing wholly fictitious mortgage paper to be financed by the different finance companies and advised that he had no way of knowing that this was going on as he had no direct contact with any of the mortgages financed. He stated that he did, on one occasion, take some three mortgages to the Kuykendall Investment Company at Lubbock, Texas, at the direct instruction of ORR. He stated that he did, not know the names of the people who have purportedly signed these contracts and is not aware of the total amount of money obtained. He stated that he did wait in the office of Kuykendall Investment until he was handed a check to be delivered to ORR.

stated that during the time he was in ORR's office on March 17, 1962, he asked ORR if ROBERT CLEMENTS, former owner, Superior Manufacturing Company, was in on the preparation of a fictitious sales contracts and mortgages. He stated that ORR's direct reply to this was "Clements was in this thing all the way." He stated that at this time he asked ORR if JAMES TURRIFF, his former immediate superior of CIT, had been paid anything by BILLIE SOL ESTES.

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He stated that ORR informed him that BILLIE SOL ESTES had TURRIFF in his "hip pocket". He stated that from the information furnished to him by ORR, he is of the firm opinion that the information furnished is true and that CLEMENTS sold the Superior Manufacturing Company to ORR and ALEXANDER and they obtained all the funds with the exception of \$32,000 mentioned by ORR, through the execution of fraudulent contracts and mortgages using the name of He stated that at this conversation, ORR told him specifically that COLEMAN McSPADDEN, Lubbock, Texas, had not put a dime into his acquisition of stock of Superior Manufacturing Company but had merely gained control of the company by assuming or agreeing to assume in his all the indebtedness incurred by preparation and execution of fictitious contracts and stated that he was to appear at Lubbock, mortgages. Texas at a court of inquiry hearing to be conducted by WILL WILSON, Attorney General of the State of Texas, on He stated that at this hearing he intended April 19, 1962. to fully divulge all of the information furnished during the course of this interview because he believes that ORR and ALEXANDER were truthful in their statements to him concerning the implication of ROBERT CLEMENTS, He advised that after the arrest of ORR, ALEXANDER, MCSPADDEN and BILLIE SOL ESTES, he held discussions with the different employees at the Superior Manufacturing Company and stated that the following people have admitted to him that they knew that the chattel mortgages executed by the different farmers of the West Texas area cited fake collateral that did not exist. He identified these employees as follows:

He advised that in addition to the above names, one in installing the plumbing job necessary to book up the ammonia tanks sold by Superior

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He stated that he believes changing the serial number plates on the tanks in existance in order that they would agree with the fictitious serial numbers recorded on the fictitious chattel mortgages. stated that in addition to this, Superior Manufacturing Company, possibly knew of the fictitious contracts being prepared by ORR and ALEVANDED We stated that it maintained a complete is his understanding that separate set of books from the fraudulent contracts prepared by ORR and ALEXANDER and also prepared the data sheets on the actual tanks produced by Superior. He stated that all of the above information furnished by him is true and correct and stated that he would be willing to testify to this information if called upon to do so.

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FEDERAL BUREAU OF INVESTIGATION

	Date	
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	advised	b6
Γ	Superior Manufacturing	b7
L	Company, Amarillo, Texas. He noted he is not actually an em-	
	ployee of Superior Manufacturing Company (Superior), but	
	rather is employed by Lawrence Warehouse Company, Amarillo,	
	Tather is emproyed by hawrence warehouse company, Amarino,	
	Texas, and is on their payroll and assigned to Superior. He	
	explained Superior has entered into a lease agreement with	
	Lawrence Warehouse Company with respect to the land surrounding	
	the actual plant area and where the raw material, particularly	
	steel, is stored. He said Lawrence Warehouse Company and him-	
	self are bonded and guarantee the placement and safekeeping of	
	raw materials at the Superior site which material is usually	
	purchased on open invoices by Superior from suppliers and there-	
	after discounted with banking institutions in Amarillo. According-	
	ly, Lawrence Warehouse Company is then liable for the collateral	
	in the form of the raw material to these banking institutions.	
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	advises in recent weeks he delivered certain	b7
	records of Superior to the United States District Attorney at	
	El Paso, Texas, at which time he discussed with the Assistant	
	United States Attorney, as well as an agent of the El Paso office,	
	the nature and scope of records maintained by Superior and their	
	relationship to instant matter.	
		•
	said following the sale of Superior by Mr.	b6
	R. E. CLEMENTS, it was his understanding Superior was acquired	b7
	by COLEMAN D. McSPADDEN, HAROLD E. ORR, and RUEL W. ALEXANDER.	
	He identified McSPADDEN as a majority owner and president of	
	Superior for the period immediately following the acquisition	
	of the company, but later was led to believe McSPADDEN sold his	
	interest because of a conflict with other interests. In this	<i>;</i> .
	connection he recalled McSPADDEN was succeeded in the presidency	
	of the company by one	
1	thereafter HAROLD E. ORR Succeeded He	•
	pointed out, however, he did observe COLEMAN McSPADDEN frequently	
	at the premises of McSPADDEN daring the entire period of time the	
	above purported changes in management took place. He said he was	
	completely unaware of the purpose of the visits by McSPADDEN, and	
	that McSPADDEN normally conferred behind closed doors on each one	
	of these visits with HAROLD E. ORR and RUEL W. ALEXANDER. He	
	further pointed out he observed BILLIE SOL ESTES at Superior with-	
	in six months after ORR, ALEXANDER, and McSPADDEN took over the	
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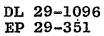
company, and in all recalled about four visits by ESTES during this period, the purpose of them being unknown.

said during the period of time McSPADDEN, ORR, and ALEXANDER had the company, he suspected that perhaps a separate set of books were being maintained over and above the usual general set of records maintained by the company to In this connection he noted such books which he had access. which he observed merely showed receipt of large sums of money from finance companies, against which receipts checks in turn were disbursed in equally large sums of money to BILLIE SOL ESTES Enterprises; Farmer's Company; Texas Steel Company; Associated Growers; and Caprock Steel Company. although such receipts and disbursements were recorded in the books, he never observed any detailed records such as invoices said the and the like to support these entries. afore-mentioned receipts were charged to the sales account and the disbursements were posted to purchases. He noted to his knowledge, Texas Steel Company and Caprock Steel Company were not known to him to be creditors or customers of Superior. He said the nature and purpose of these transactions carried in the books of Superior were unknown to him and prior to March 29, 1962, was completely unaware of the creation of fraudulent contracts by Superior, ESTES, and McSPADDEN. By the same token, he said he did not know of any practice engaged in by Superior or any of its personnel in connection with alleged changing of serial number plates on existing tanks at various locations in In this connection, he volunteered the West Texas area. Superior purchased the serial number plates being used by them on the tanks they manufactured from a firm known as American Name Plate Company, Chicago, Illinois, which plates were purchased by them usually in lots of 2,000.

noted although he suspected perhaps a separate set of books were being maintained by Superior, he emphasized he had no direct knowledge of such and further pointed out he was not aware of the creation of any fraudulent books of account or records of the company at any time by personnel of Superior. He commented one who has since moved from Amarillo and believed now residing in Carrollon, Texas,

Superior under the direct supervision of RUEL ALEXANDER. He further identified

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who normally typed up sales contracts, as well as invoices	
and bills of lading and some correspondence for the compan	i y 。
stated he knew of no questionable asso-	<i>i</i>
ciation on the part of Superior management or personnel an	ıd
representatives of the finance companies with whom they we	
discounting sales contracts. He said he knew of no gifts	
money disbursed or otherwise given by Superior to persons	OI ,
outside the company. He stated he was acquainted with	\neg
of CIT Corporation, and observed on numerous occasion	S
at the premises of Superior. He stated he never considere	d
such visits by as unusual, noting he thought he was	
always there in connection with business being engaged in	
by Superior with CIT Corporation.	7
visited Superior's plant on an average of once a week. He	
noted, however, he did observe from the records of Superior) L 9
that they were paying beginning in about November or	4
December of 1960, the sum of \$500 per month, which expense	
was charged by the company to auditing and legal expense.	The
nature and nurnose of this dispursement to by Superio	
unknown to related sometime in July, l	961,
employment with CIT was terminated, exact reason no	t
known, and he was thereafter appointed a vice president of	;
Superior Manufacturing Company. He said immediately after	,
commenced this employment, Superior began sending invoices	
Farmer's Company, Pecos, Texas, which merely recited same w	
being rendered to the Farmer's Company for "one-half of sa	lary
as per agreement with Mr. ESTES." He stated the salary re	
to by the invoices was that of According to	
the invoices did not otherwise identify the reas	
for this billing and to his knowledge such invoices were re	
under instructions of HAROLD E. ORR, who never gave any ex	pla-
nation as to the reason for this arrangement.	
said he observed one JIM TURRIFF known	to
him to be an orricial of CIT Corporation at the premises o	f
Superior on several occasions, both alone and in the compa	
purpose of these visits not known to	- •
related the dates of these visits by	
TURRIFF were not now recalled by him, but he was certain i	†·
romerr acro not now recerted by uring and me was certain r	D

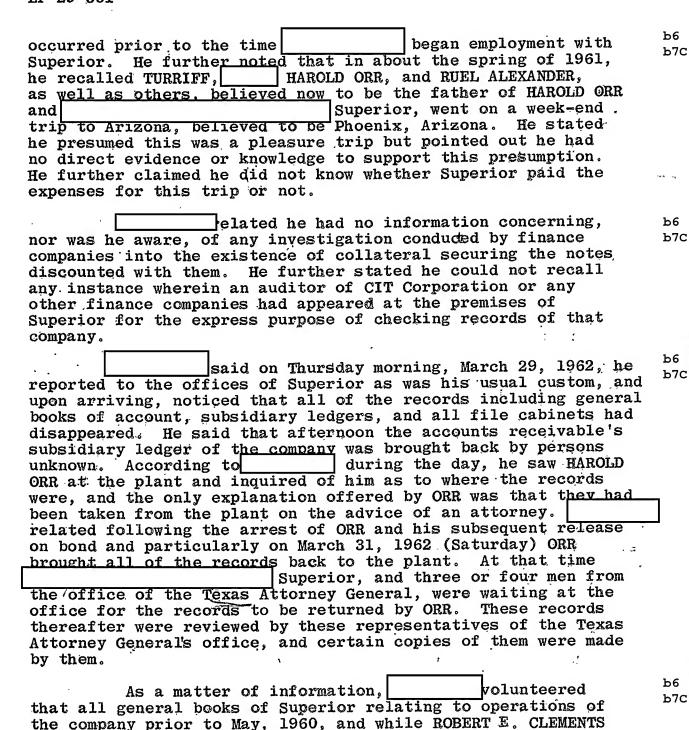
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was the owner, were always on file at the office, but stated

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at this time he could not advise as to the present location or disposition of them. He noted he did not intend to imply that such records were not now available, stating he has not had any occasion to refer to such records and was assuming they were still at the premises of Superior.

related the only information which he possessed of possible significance to this investigation was as a result of a comment which HAROLD E. ORR made to him following his release on bond. On this particular occasion, ORR made the comment to the effect that if investigating authorities checked the records of BILLIE SOL ESTES as well as his bank account, they might find that ROBERT E. CLEMENTS was also involved in this matter. He claimed he did not question ORR concerning this comment, nor did ORR volunteer any other information as to exactly what he meant by it.

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stated she had no personal knowledge as to the manner in which Superior was acquired from ROBERT E. CLEMENTS or the consideration involved. In this connection she pointed out the change in management occurred approximately two weeks after she went to work for Superior and, therefore, she attached no particular significance to the change in management or the manner in which it was set up on the books of the company. She advised HAROLD ORR and RUEL ALEXANDER. She further stated which she identified as a report required by the Railroad Commission of the State of Texas on each tank manufactured by Superior. She said in part these reports reflected the date of manufacture of the tank, the individual or firm to whom sold, the serial number of the tank involved, and certain technical data pertaining to the pressure capacity and type of advised when she first went to work for tank involved. Superior, she recalled the books contained an account receivable which account, it is her current in the name impression, was initially set up approximately two years prior to the acquisition of Superior. She stated the original sum set up in this account was not now recalled by her, but that in about June or July, 1960, the account was closed out and the amount outstanding approximating \$1,000 to \$1,500 was transferred to an account opened under the name of Associated Growers She stated she seems to recall, but cannot of Wildorado, Texas. be positive, that at about this time a check was issued on the amount, date and purpose of it Superior to being unknown to her. said when she first In addition to the above, went to work at Superior, the accounts receivable subsidiary ledger also carried an account receivable due from Dick's Propane which was a company She stated entries to this account related principally to propane tanks, parts, and related equipment for these tanks, which had apparently been sold and delivered to Dick's Propane. She stated it is her present recollection mone of the sales made and charged to this account involved NH-3, that is, anhydrous ammonia tanks. The account, according to had an average balance of \$1,000 and that such account was still on the books of the company when she left employment of Superior. With respect

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to the account she said she recalled very few checks were ever remitted to Superior by _____ in payment on the account. this regard she said periodically when the account appeared to be running three or four months delinquent, HAROLD E. ORR would prepare, or otherwise instruct her to prepare, a credit memorandum purporting credit to Dick's Propane for alleged merchandise returned, which credit memoranda served to reduce the account to a current status. She said to her knowledge no merchandise to speak of was ever actually returned to Superior by Dick's Propane and/or With further reference to advised Superior made annual insurance premium payments on a \$25,000 life insurance policy in the name of which premiums were charged on the books of the company to insurance expense. She said it is her recollection the policy was carried with Great Southern Life Insurance Company, Amarillo, Texas, and the checks remitted by Superior in payment of the premiums have the notation they were payments on a policy of the company also was paying She stated in addition to insurance premiums on policies apparently carried in the name of BILLIE SOL ESTES, COLEMAN D. MC SPADDEN, HAROLD E. ORR, and RUEL ALEXANDER. All such premium expense was charged on the books to insurance expense. In connection with the policy apparently being carried on BILLIE SOL ESTES, stated the books carried a note receivable due to Superior from BILLIE SOL ESTES in the original amount of \$43,100, which account was set up as being incurred

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with the company on or about May 15, 1960. She noted in March, 1962, the balance on this account was \$9,700. She stated the original amount of \$43,100 initially set up was carried on the books at that figure for approximately one year or until about May, 1961. At that time RUEL ALEXANDER instructed her to enter a credit on the ESTES note receivable in the amount of \$25,000, which he stated was supposedly based on cash received in approximately October, 1960, from an up Ifinance company. She said basis for the receipt being unknown to ALEXANDER at the time indicated this money should have been credited to ESTES' note at that time, pointing out through inadvertence the amount had been credited to the note receivable control account on the books, but the credit not entered to the subsidiary ledger in ESTES name. In accordance with said, she posted a \$25,000ALEXANDER's instruction L credit to the account at that time. According to was not now able to recall the source of the remaining credits

which were entered to that account subsequent to the above and had the effect of reducing the balance to its present status of \$9,700. She pointed out it was her impression the insurance policy which was being paid by Superior in the name of ESTES was taken out initially in about May, 1960, to insure payment of the account above described in ESTES name in the event of his death. She noted, however, the amount of this insurance policy was not known to her.

reiterated the fact that she did not know the exact manner or circumstances under which MC SPADDEN, ORR, and ALEXANDER acquired Superior, but nevertheless was confident HAROLD E. ORR and RUEL ALEXANDER did not have sufficient money to invest in the purchase of Superior, and based on information noted by her in the books, suspected that nerhans they borrowed the money for not further known to her. this purpose from a She said the basis for this suspicion was the fact the records of the company carried a note and or mortgage payable due which was introduced into the records of the company on or about May 15, 1960, amount not recalled. She said each month Superior for \$1,983, which checks served to reissued checks to duce the amount of the outstanding note payable due ledger in the books indicated that this note or said the obligation was incurred and to be paid over a period of five years.

advised prior to the time CLEMENTS sold Superior there was carried in the company's books account receivable ledger sheets in the names of BILLIE SOL ESTES and LESTER-STONE Company, which accounts contained account receivable credit balances of large She noted the manner in which these accounts were set up would purport to show that the company had a liability to ESTES and Lester-Stone Company in an asset account. She stated in view of the unique manner in which this account was set up, she made a cursory examination of the cash journal of the company and noted the credit entries made to the above account receivables corresponded with deposits to the company's cash account, source of the deposits not known to her. She said she further discovered that within a day or two after these deposits, a cash disbursement was entered and represented checks issued by Superior to ESTES Lester-Stone Company and which checks served as a basis for debit She pointed out, however, entries to the above account receivables. these checks were always in an amount less than the deposits above mentioned which served as credits to this account, and, therefore, was the basis or source for the credit balance in the account receivable being created. She said following the sale of the

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company by CLEMENTS, these credit balance account receivables continued to be carried in the books under the new management. She stated she was unable to say exactly when such accounts were first placed on the books of the company but was definite in stating same were in existence prior to the time she first She recalled shortly after she went to work for Superior. went to work for the Company and at about the same time the new management took over, a Certified Public Accountant firm performed an audit of the company's books, and that while this audit was going on, HAROLD ORR instructed her not to make these ledger sheets available to the auditor. She said ORR told her that in the event the auditor insisted on seeing them, she should refer the auditor to him or RUEL W. ALEXANDER. said she recalled just such a request was made of her by the auditor and in accordance with ORR's instructions, she referred She said she did not know how the matter the auditor to him. was resolved between ORR and the auditor.

related shortly after this audit, however, the credit balance being carried in the BILLIE SOL ESTÉS account receivable was immediately thereafter transferred to an account set up under the style BILLIE SOL ESTES-SPECIAL. At the same time a BILLIE SOL ESTES-REGULAR account was set up in the accounts receivable subsidiary ledger, which account recorded actual equipment sold to ESTES. She noted this account was later changed to Farmers Company. She said as opposed to the BILLIE SOL ESTES-REGULAR account, the entries posted to the BILLIE SOL ESTES-SPECIAL account corresponded to the amounts of the checks being received by Superior from various finance companies, which entries were credits or asset entries. after these checks were received from the finance companies, a check in turn would be issued by Superior to either United Elevators, Farmers Company, or Texas Steel Company, and these disbursements then served as a basis for the debits entered to the BILLIE SOL ESTES-SPECIAL account receivable.

She stated that at the time the above accounts were set up on the books, comparable accounts were also set up in the accounts receivable subsidiary ledger under the style Associated Growers-Special and Associated Growers-Regular. She said the debits and credits to the Associated Growers-Special account stemmed from comparable transactions above described for BILLIE SOL ESTES. In this connection she pointed out checks received from finance companies corresponded with the amount of the credits posted to the Associated Growers-Special account and that debits thereafter entered to this same account corresponded with checks disbursed from such finance company money which checks

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were alternately payable to Associated Growers, Caprock Steel Company, and Armour Agricultural Chemical Corporation. With respect to the latter, pointed out she only recalled one check issued to this company which, as she recalls, was in a very large amount.

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posted to the above account receivables resulted in accumulative credit balance being created therein, inasmuch as the credits which corresponded with deposits of funds from finance companies were always greater than the checks issued immediately thereafter to ESTES, Associated Growers, Et Al.

related in approximately January, 1961, the above procedure for handling these transactions through receivable accounts was discontinued and pursuant to instructions of RUEL ALEXANDER the company adopted the procedure of running these transactions through the notes receivable control account No. 120 and notes discounted control account No. 120-A, which latter account was a new one set up in the records. Thereafter, receipts from finance companies were credited to the notes discounted account No. 120-A and the resultant checks issued to ESTES, Associated Growers, Et Al. were debited to the notes receivable account No. 120. She said this procedure was thereafter subsequently changed in late May or early June, 1961, following an audit of the company by independent Certified Public Accountants. She stated as a result of this audit, the checks received from the finance companies were thereafter credited to the sales account No. 620 and the resultant disbursements to ESTES, Associated Growers, Et Al. were charged to purchases account No. 720. According to as of that time there was accumulative balance in the notes discounted account No. 120-A, aggregating approximately two million dollars and that this account was not closed out until about December, Purportedly at that time RUEL ALEXANDER made an audit of the books of the company and, as a result of his audit, gave her a journal entry which consisted of a debit entry to the notes discounted account equal to the balance then being carried therein with offsetting credits in part to account No. 620, which was the sales account, and the remainder to another control account set up in the books styled advances from customers. She said at the same time ALEXANDER gave her a similar journal entry which had the result of crediting the notes receivable control account No. 120 which had the result of clearing that account with the exception of about \$50,000, which amount she concluded was equivalent to the bonified accounts receivable held by the company at that time.

She noted the offsetting debit entry on this journal entry was charged to purchases account No. 720. thereafter the transactions relating to checks received from the various finance companies were handled through the sales and purchase account. With respect to the "advances from customers" account said same was introduced into the general No. 434. ledger of the company at about the same time (May or June, 1961) and it served as a liability or credit balance account. said debits charged to this account corresponded with checks being issued each month by Superior to the following: Billie Sol Estes Enterprises-a check aggretating (1) approximately \$7,900 was issued each month and represented two unexplained vouchers given to her by ALEXANDER of \$5,000 plus and \$2,000 plus each. - each month a check aggre-(2) gating approximately \$8,000 was issued by and covered several vouchers Superior to not explained and given to her by ALEXANDER. Three of the vouchers, as recalled by were in the amounts of \$1,983; \$2,298, which carried a notation "Pacific"; and \$800.10. each month a check for about (3)\$747 was issued to and purportedly covered two vouchers, not further explained, and given to her by ALEXANDER, which vouchers were in the approximate amounts of \$400 plus and \$300 plus. Purpose of these vouchers was not known to - each month <u>a check between</u> (4) \$2,000 and \$3,000 was issued to covered one voucher which was given to her by ALEXANDER, purpose of same being unknown. advised the above checks which were issued bore the signatures of ORR and ALEXANDER on behalf of Superior. said she also recalled each month Superior issued a check to Seminole Farm and Ranch Supply Company, Seminole, Texas, in the amount of \$173.33 and at the time she

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prepared these checks for signature, she made a notation on the check stub "payment due FAC", per instructions received from either HAROLD ORR or RUEL ALEXANDER. She said this check was charged on the books of Superior as an account receivable due from Farmers Company. She said thereafter Superior was reimbursed by Farmers Company for this disbursement each month without benefit of any billing being rendered to Farmers Company by Superior.

advised, in addition to the above transactions, linstances wherein checks were also drawn against Superior immediately following receipt and deposit of checks from finance companies, which checks were payable to both HAROLD ORR and RUEL ALEXANDER, individually. She stated she is unable to recall the amounts of all such checks involved, but does remember one instance where checks in the amount of \$2,500 She stated she recalled were disbursed to each ORR and ALEXANDER. another occasion when a check in the amount of \$25,000 was issued pavable to She said the exact nature and purpose of this check was unknown to her, but she suspected that same was issued to cover an interest DRR and ALEXANDER. She said all of these checks issued to war and ALEXANDER or for their benefit, including payment of personal bills, were charged as debits against the BILLIE SOL ESTES-SPECIAL account receivable. With respect to the \$25,000 check above mentioned she stated during the audit of the company by Arthur-Anderson and Company during May or early June, 1961, the auditor set up a note receivable due the company by each ORR and ALEXANDER in the respective amounts of \$12,500 each, which accounts thereafter served as an offset for the \$25,000 check issued to She said these accounts are still carried on the woons or the company and as of the date she terminated her employment, it was her recollection the account in ORR's name had a balance of about \$5,000, whereas the account in ALEXANDER's name had a balance of about \$9,000. related as an exception rather than the rule, she has typed sales contracts at the instructions of HAROLD ORR and RUEL ALEXANDER, which purported sales of various capacity anhydrous ammonia tanks manufactured by Superior. She noted such contracts are normally typed by

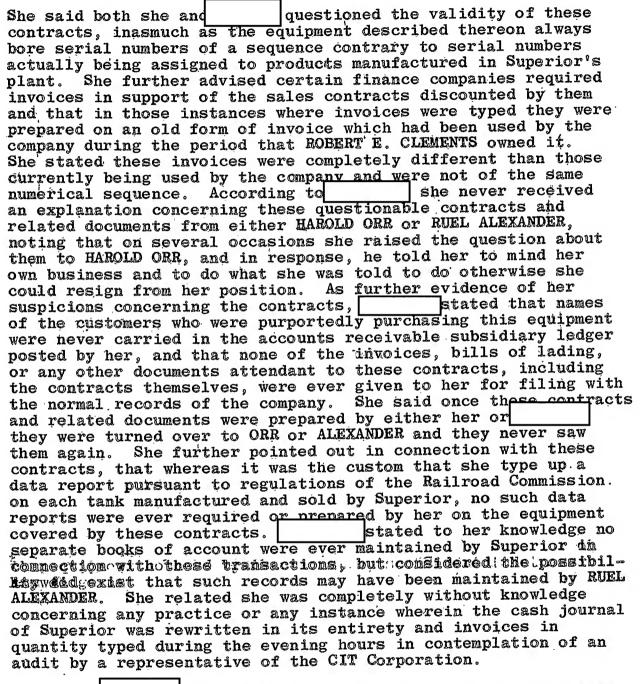
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advised in May, 1961, she recalls, pursuant to instructions of ORR or ALEXANDER, preparing and issuing an invoice to Farmers Company, Pecos, Texas, covering billing to them for a large number of name plates of the type used by

Superior and apparently sent to Farmers Company. She said she believed this invoice covered billing for about 1,000 of these name plates, which she described as being the type afixed by She said she Superior to the tanks manufactured in the plant. did not know if these plates were in blank or if they had numbers or other data imprinted on them at the time they were sent to the Farmers Company. She said she did recall at about and this time she was told by Superior, made a trip on HAROLD ORR's instructions to Pecos, Texas, where they were supposed to change serial number name plates on tanks located there. She pointed out she did not know, of her own knowledge, that did make this trip, how long they were gone, or whether in fact they did change name plates as stated by related during early 1961, Superior was discounting contracts which she considered to be questionable, with General Leasing of Fort Wayne, Indiana. She said this arrangement apparently lasted only a few months, inasmuch as after a relatively short period of time, no more checks were received at the company from General Leasing: However, at about the time the checks from General Leasing discontinued, the company began receiving checks from Walter E. Heller and Company, Chicago, Illinois. She said following receipt of a check from the Walter E. Heller Company, HAROLD ORR or RUEL ALEXANDER would have her issue a check equal to about one to three percent of the HELLER whom she check, which check was payable to a understood to be an official of General Leasing of Fort Wayne, these checks would be mailed in According to in care of General Leasing of Fort some instances to Wayne marked to his personal attention and in other instances were mailed to his residence, address not now recalled. said the true significance of these checks was not known to her, and she pointed out that they were not in even amounts or round figures, but were in odd amounts, which led her to believe they were based on a percentage of the HELLER checks. She stated when the checks were issued, they were charged on Superior's books to account No. 720, purchases. advised bank accounts were maintained by Superior initially at First National Bank, Amarillo, Texas, but

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that such account was subsequently closed and they began doing

addition to these accounts, Superior also maintained accounts at

business with American National Bank in Amarillo, Texas.

Citizens National Bank, Lubbock, Texas, as well as an account at an unnamed bank in Pecos, Texas. Regarding the account at Lubbock, Texas, advised certain checks received from finance companies were deposited to the Citizens National Bank there and although the ledger account relating thereto was kept in the general books of the company, all of the checks disbursed against the account were under the direct control of ALEXANDER and ORR and the checkbook pertaining to it was kept by them. She said she never saw any of the checks which were written against this account and the details and purpose of the account were not known to her. She stated it is her recollection this account in Lubbock was closed in about February, 1962. She said she was not aware of the shout March 1962 at which time Arthur Anderson Company out of Houston, Texas, and who was performing an audit of the books of the company at the time, mentioned to her that such an account did exist. She said the purpose and nature of the account was unknown to her, and that she never observed any checks or deposits or other records relating to such account in the offices of Superior.

said she would estimate she observed BILLIE SOL ESTES at the premises of Superior Manufacturing Company in the period May, 1960, through March, 1962, about seven times. She said the purpose of ESTES visit was not known to her and that he usually met in closed-door conferences with HAROLD ORR She said she could not recall if she ever and RUEL ALEXANDER. observed both ESTES and COLEMAN D. MC SPADDEN together at Superior offices, except on one occasion. She said she believed this was about the middle of February, 1962, and at the time, two men annarently with Pacific Finance Company, as well as Superior, were also present, and the group met in ALEXANDER's office, details of the discussion unknown to her. She did recall on this date she was instructed by ORR and ALEXANDER to issue two checks to Pacific Finance Company, one of which was for approximately \$50,000 and the other was for about \$51,000, which checks were charged on Superior's books to account receivable, Farmers Company. She said when she terminated her employment at Superior, this amount was still due Superior from Farmers Company.

She said during 1960, she saw COLEMAN D. MC SPADDEN at Superior on an average of once a week and that during 1961 his visits averaged only about once a month. In each instance

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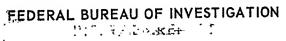
he would meet with ORR and ALEXANDER in conference, which, she presumed, related to business operations of the company. prior to July, 1961, to be a advised she knew representative of CIT Corporation and that he called at the offices of Superior on a regular basis. She pointed out at no calls at time did she have any personal knowledge that Superior were in any way irregular. She stated, however, in December, 1960, she was called into HAROLD ORR's office at which in the amount of time he told her to issue a check to \$500 and that such check should be charged to legal and audit expense, account No. 907, and thereafter she should set up a voucher for payment of a similar amount to _____ on the first of each month thereafter. She said no further explanation was offered by ORR concerning the reason or purpose of this check and that the check was paid regularly each month to he accepted a position with Superior as Vice President in July, lemployment by Superior, he told She said following 1961. her that during the time he was employed by CIT, he was paid the aforementioned \$500 each month by Superior in return for consultant service rendered by him to Superior. about two or three days after According to began working with Superior, HAROLD ORR advised her, that an invoice was to be rendered each month to Farmers Company, Pecos, Texas, with a notation indicating it was being rendered for "one-half of salary per agreement". She said ORR informed him that this billing was being made inasmuch as BILLIE SOL ESTES was going to pay onesalary. She said no payment was ever received half of to her knowledge from Farmers Company on these invoices and that the billing was charged to the account receivable in the name Farmers Company on the records of Superior. She stated periodically the balance that accumulated in this account was cleared by deducting it from the amount of the checks being sent Farmers Company following receipt of checks from the various finance companies previously discussed herein. Superior, he never parduring the period ticipated in any financial transactions existing or created by Superior with the various finance companies. She stated to her position was one of administrative management knowledge and that he attempted to establish various administrative controlls and procedures in the operations of Superior which had been sorely lacking. She admitted she had a great respect and was confident based on what she had observed that he had no knowledge concerning the credit transactions being engaged in by Superior with the finance companies.

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said JAMES A. TURRIFF was unknown to her and that she was unaware of any entertainment or favors that Superior may have bestowed on representatives of finance companies or any other officials.

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FEDERAL BUREAU OF INVESTIGATION

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MANUFACTURING COMPANY advised that part of her duties at SUPERIOR MANUFACTURING COMPANY necessary to finance the different tanks manufactured by that firm. She stated that when she first began working for SUPERIOR MANUFACT- URING COMPANY, ROBERT CLEMENTS, President, gave her most of the information necessary to type up these Chattel Mortgages. She stated *hat since that time, CLEMENTS has been succeeded by HAROLD ORR and stated that the majority of the information typed on the Chattel Mortgages has been handed to her or personally been dictated to her by ORR. She further advised that some of the information contained on these Chattel Mortgages was furnished to her by RUKL ALEXANDER, Secretary-Treasurer, SUPERIOR MANUFACTURING COMPANY. She advised that when she first started working for SUPERIOR MANUFACTURING COMPANY, HAROLD ORR was a salesman for that firm and was not an officer of that firm. She stated that ORR was on the road most of the time and was considered to be an outstanding salesman. She stated that ORR would occasionally give her the information necessary to record on Chattel Mortgages as he had handled the sale of the merchandise to the individual customer. Stated She had no reason to question the validity or truthfulness of any of the Chattel Mortgages prepared by her while CLEMENTS was President of SUPERIOR MANUFACTURING COMPANY.					
apout SUPERI	She advised that in a OR MANUFACTURING COMPANY a week before oak and ALL OR MANUFACTURING COMPANY, ne evening in order to pro-	COLORADER TOOK OVER THE COLORADER TOOK OVER THE COLORADER TOOK OVER THE COLORADER SOME CHATTEL	ALEXANDER, b7 stated that e management of tay at the office Mortgages and EP-29-351		
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She stated contracts which were to be signed by that on this particular occasion ORR told her that be en route from Wildorado, Texas, to Frederick, Oklahoma, that he would come through Amarillo late that, evening. stated that ORR claimed that the papers had to be prepared for his signature that night. She stated she remained at the office until approximately 10 p.m., preparing these papers and Chattel Mortgages and stated she is unable to recall the equipment described on these papers or Chattel Mortgages. She stated that she remembers there were other papers prepared for individuals other than on this particular occasion, but she is unable to remember the names of these people. She stated she does not recall whether she prepared any Chattel Mortgages for the She stated she does not know anything signature of concerning the details of the acquisition of SUPERIOR MANUFACT-URING by ORR, ALEXANDER, but stated she does recall that these four individuals were the sole stockholders of SUPERIOR MANUFACTURING COMPANY after CLEMENTS sold to them. She advised that after this transfer of SUPERIOR MANUFACTURING, came into the plant occasionally, but took no active part in the management of the firm. She stated that all of the transactions of that firm were handled by ORR and ALEXANDER and advised that she, at no time, was ever permitted to see the stock register of that company. She advised that the closest she ever came to this was that she mailed a stock certificate to Texas. COLEMAN McSPADDEN in September or October, 1961. She stated she does not recall how many shares of stock had in SUPERIOR MANUFACTURING COMPANY and repeated that this the only stock certificate she ever saw. She stated that after ORR and ALEXANDER assumed active management of SUPERIOR MANUFACTURING COMPANY, COLEMAN McSPADDEN of Hereford and Lubbock, Texas, was in the SUPERIOR MANUFACTURING PLANT at least once a week. She stated that McSPADDEN took no active part in the management of the plant and did not issue any orders or instructions to any of the employees. She stated that shortly after this, ORR informed her that

MANUFACTURING COMPANY as MCSPARREN'S name was nurting the company.

She stated that ORR explained to her that since McSPADDEN was

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in the fertilizer business, some of his competitors objected to him being President of SUPERIOR MANUFACTURING COMPANY and at the same time being their competitor in the fertilizer business. She stated that ORR explained to her that this hurt the sales of tanks to these fertilizer competitors of McSPADDEN and therefore he decided to step down She stated that during the period of time the firm she only recalls seeing him in SUPERIOR on one occasion. She stated that never issued any orders or instructions to any of the employees and did not take an active part in the management of the firm. She stated that ORR continued to supervise the management of SUPERIOR MANUFACTURING COMPANY.

She stated that shortly after ORR and ALEXANDER purchased SUPERIOR MANUFACTURING COMPANY from ROBERT CLEMENTS, she noted that the Chattel Mortgages she prepared on the direct instructions of ORR and ALEXANDER contained Serial Numbers of tanks which did not agree with the serial numbers of tanks being manufactured by SUPERIOR MANUFACTURING COMPANY. She stated that the reason she knew this was that she often saw the data sheets prepared by SUPERIOR in connection with the tanks manufactured. She explained that these data sheets are sheets prepared showing the different dates of the inspections performed by the boiler inspector assigned to that plant by the AMERICAN SOCIETY OF MECHANICAL ENGINEERS. She pointed out that as an example, the tanks being manufactured by SUPERIOR MANUFACTURING COMPANY would have a serial number beginning with the letter S-3187 whereas some of the Chattel Mortgages being recorded by her on the instructions of ORR and ALEXANDER would have Serial Numbers beginning with 10019684. She stated that she used this an example to point out the difference in the Serial Numbers of the Chattel Mortgages being prepared by her at the instructions of ORR and ALEXANDER. She stated that she knew that something was wrong in connection with the serial numbers assigned, but was not aware as to exactly what was taking place. She stated that she suspected that the serial numbers being furnished to. her by ORR and ALEXANDER were fictitious as she was sure that the serial numbers did not agree with any tanks being manufactured by SUPERIOR. She stated that she could readily pick

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out the legitimate contracts and the fictitious contracts handled by her at the direction of ORR and ALEXANDER by merely looking at the digits in the serial number of the Chattel Mortgages recorded.

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She stated that when she first started preparing the Chattel Mortgages from information furnished by ORR and ALEXANDER, they would pencil in all of the information necessary on the She stated that as she became acquainted with the different forms, they would just later hand her a piece of scratch paper containing the name, amount, collateral and serial numbers to be typed on the necessary forms. She stated that in addition to the Chattel Mortgages she also typed the necessary note for the individual to sign and typed the transmittal letter to the different finance companies to which this Chattel Mortgage was to be sold. She stated that in addition to the Serial Numbers being fictitious or out of order with the Serial Numbers of the tanks being manufactured by SUPERIOR, she also noted that on these contracts which she believes to be fictitious, an old invoice form was used by ORR and ALEXANDER. She stated that this old form had been used until ORR and ALEXANDER took over the management of the firm. She stated that the invoice used on the regular tanks manufactured by SUPERIOR was then changed and the rest of the plant used this new form. She stated that on this invoice form, which shows the name of the customer, the name and location of person to whom the tanks were to be delivered, 5 .

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the date of the sale, the total sales price, and the serial numbers of the tanks delivered, will appear on this form. She stated that on the chattel mortgages containing the fictitious serial numbers, she noted that on several occasions the invoice supporting this chattel mortgage would be back dated by several months. She stated that these same invoices were not prepared on each of the suspected fictious chattel mortgages but she is unable to recall the individual contracts which she typed which are supported by sales invoices. stated that she recalls that PACIFIC FINANCE COMPANY, WALTER E. HELLER COMPANY, and GENERAL LEASING COMPANY, required that SUPERIOR furnish them a sales invoice with each contract they She stated that on each of these invoices she purchased. typed the certification "This is to certify that this invoice has been paid in full", SUPERIOR MANUFACTURING COMPANY, by either ORR or ALEXANDER. She repeated that most of this information was furnished to her by HAROLD ORR. She stated that some of the contracts came into her office by mail from some of the finance companies which required that their form be used. She stated that for instance WALTER E. HELLER COMPANY, would furnish them a sales invoice which had already been prepared and what she would have to do was to add the necessary information to this form. She stated that on all instances she was required to add the certification that the invoice had been paid in full and that this certification would then be signed by ORR or ALEXANDER.

SUPERIOR MANUFACTURING COMPANY, would have handled the filing of all copies of legitimate invoices for tanks actually manufactured by SUPERIOR MANUFACTURING COMPANY. She advised that hid not receive copies of fictitious invoices as these forms are not the same as those used by the clerks in the office who execute the sales invoices for the legitimate tanks. She advised that the invoices prepared on the fictitious contracts were not filed in the office, but were retained by ORR in his office. She advised that she has not seen any of these forms since she executed them and does not know whether ORR actually retained them in his possession or not. She further advised that the endorsement with recourse on the back of each

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chattel mortgage is usually signed by ORR.

She advised that in addition to preparing the chattel mortgages and sales invoices on the contracts citing serial numbers of tanks which were not manufactured by SUPERIOR MANUFACTURING COMPANY, she also typed out the certification or agreement on which the customers sign certifying that he had received the tanks as described. She stated that in addition to this she typed out some warranty forms certifying that SUPERIOR MANUFACTURING COMPANY would release the customer if the contract became in default. She stated that in addition to this the certification cited that in case BILLIE SOL ESTES defaulted in his lease agreements, SUPERIOR MANUFACTURING COMPANY would take up the merchandise described and would release the individual borrower from any future obligations. She stated that this certification was prepared on letterhead stationery of SUPERIOR MANUFACTURING COMPANY and was mailed BILLIE SOL ESTES in Pecos, Texas. She stated this certification was always signed by ORR and ALEXANDER and bore the seal of SUPERIOR MANUFACTURING COMPANY. She advised she did not handle any of the personal correspondence for ORR or ALEXANDER as this was handled by ORR She stated that working for SUPERIOR MANUFACTURING COMPANY in November, 1961 and resigned upon the arrest of ORR and ALEXANDER on March 29, 1962.

She stated that in addition to the certification mailed to she also mailed on at least two occasions, from 50 to 75 blank letterhead stationery forms to the Pecos Office. She stated she does not know what disposition was made of this stationery, but assumed that or some one in ESTES' office would prepare letters purportedly reflecting correspondence from SUPERIOR MANUFACTURING COMPANY. She repeated that these were blank stationery forms and bore no signature or typing of any manner.

She stated that she often opened the mail addressed to SUPERIOR MANUFACTURING COMPANY and on numerous occasions saw large checks made payable to SUPERIOR MANUFACTURING COMPANY

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from different finance companies. She stated that she recognized some of these checks as being the results of the chattel mortgages she had previously prepared at the direction of ORR and ALEXANDER. She repeated that she knew at the time she typed up some of the chattel mortgages that the persons name appearing on the chattel mortgageswas not a regular customer of SUPERIOR MANUFACTURING COMPANY and she wondered as to why he would buy such a large quantity of ammonia storage tanks. She stated that she personally observed numerous letters from BILLIE SOL ESTES addressed to ORR and ALEXANDER and bearing the word "Personal". She stated she did not open any of these letters and has no idea as to what' She stated that in addition to this she has they contain. often mailed letters addressed to BILLIE SOL ESTES from ORR and ALEXANDER marked "PERSONAL". She stated she has also handled the same type of mail bearing the "PERSONAL" notation addressed to ASSOCIATED GROWERS OF HEREFORD, TEXAS, and has received letters addressed to ORR and ALEXANDER from COLMAN McSPADDEN marked "PERSONAL."

She stated that handled and personally typed the majority of the checks made payable to BILLIE SOL ESTES, ASSOCIATED GROWERS, TEXAS STEEL, CAPROCK STEEL, and other companies owned and controlled by BILLIE SOL ESTES and COLEMAN McSPADDEN. She stated she has, on a few occasions, typed checks made payable to the FARMERS COMPANY, BILLIE SOL ESTES ENTERPRISES, and ASSOCIATED GROWERS OF HEREFORD, TEXAS. She stated as she did not regularly handle the preparation of these checks she has no idea as to the amount of money being sent to BILLIE SOL ESTES at Pecos, Texas, or to COLEMAN McSPADDEN at Hereford, Texas. She stated that she recognized the fact that the voucher accompanying these checks did not recite what the check was in payment of. She stated that she realized that this was different from the normal check prepared by the company as the accompanying voucher usually cited the purpose for the issuance of the check.

She stated that SUPERIOR MANUFACTURING COMPANY has retained bank accounts at the following banks:

The First National Bank of Amarillo, Texas,
The First State Bank of Amarillo, Texas, and is now banking at the American National Bank of Amarillo, Texas.

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She advised that in addition to this, SUPERIOR MANUFACTURING COMPANY at one time had an account with the Citizens National Bank of Lubbock, Texas. She advised that since she did not reconcile the bank statements and did not personally review them, she does not know the total amount of money being forwarded from SUPERIOR to either McSPADDEN or to ESTES.

She advised that she has personally seen BILLIE SOL ESTES in the offices of SUPERIOR MANUFACTURING COMPANY on at least six occasions since HAROLD ORR and RUEL ALEXANDER assumed management of the company in 1960. She stated that on at least two of these occasions COLEMAN McSPADDEN who was present when ESTES was in the office and stated that on each occasion there would be a closed door meeting in ORR's office attended by ESTES, McSPADDEN, ORR and ALEXANDER. She stated she does not know what was discussed in these meetings as the door to ORR's office was always locked.

She advised that in about July, 1961. CIT FINANCE COMPANY began working at SUPERIOR MANUFACTURING COMPANY. She stated that she knew that for some six months prior to that time he had been receiving checks in the amount of \$500 per month from SUPPLIED WAYUFACTURING COMPANY. She stated that She stated prepared these checks payable to informed her that these checks were charged as legal audit fees. She stated that to her knowledge _did not render any service to SUPERIOR MANUFACTURING COMPANY for this salary paid to him. She stated that on different occasions JAMES TURRIFF, District Manager of CIT FINANCE COMPANY of Dallas, Texas, visited SUPERIOR MANUFACTURING COMPANY. She stated that she does not know of any favors or money paid to TURRIFF by ORR or ALEXANDER, but realized that TURRIFF seemed to be a close friend of both ORR and ALEXANDER. stated she recalls on one occasion, the exact date unrecalled to her. HAROLD ORR, his brother, BILL ORR, RUEL ALEXANDER, flew to Phoenix, Arizona, for a weekend trip. She stated she does not know who paid for the expenses incurred on this trip, but assumes that SUPERIOR MANUFACTURING COMPANY paid for this trip.

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She stated

for HAROLD ORR. She stated that she
ORR reportedly showing the signature of
different purchasers of tanks manufactured by SUPERIOR
MANUFACTURING COMPANY. She stated that she saw some of the
purchasers sign these forms, but on several occasions she

these forms as HAROLD ORR told her to do so and stated she did not know that any of these forms contained any false certifications. She stated that ORR maintained to her that the different forms and contracts and chartel mortgages have been taken to the farmers and that the farmers had actually signed the forms. She stated that to her knowledge she knows of no instrument prepared which bears the forged signature of any purchaser.

advised that she recalls that during the summer months of 1961, the exact date unrecalled, HAROLD ORR called her back to SUPERIOR MANUFACTURING COMPANY and asked her to prepare a large number of sales invoices. She stated that on this particual night, the invoices she prepared were in support of chattel mortgages which had been made out by her She stated that some of these sales invoices were in the past. back dated for as much as a year. She stated that she had to type out invoices for each contract and chattel mortgage which she had handled and stated that the serial numbers she typed on these invoices were furnished to her by ORR. She stated that ORR merely gave her a beginning and ending serial number and told her to type out the sales invoices reflecting the sale of from 8 to 20 tanks on the different invoices. She stated she recalled that on this particular night she typed out sales inwdices to support previously prepared chattel mortgages reflected sales made of tanks to ASSOCIATED GROWERS OF HEREFORD, TEXAS. She stated that on this particular group of sales invoices she recalled that the sales invoice reflected that the tanks had Texas. actually been shipped to all of these invoices were prepared on the She stated that old form, used prior to the time that ORR and ALEXANDER gained control of SUPERIOR MANUFACTURING COMPANY and that all of the

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serial numbers furnished to her by ORR were easily identifiable as being those prepared in support of the chattel mortgages. She stated that these serial numbers were not in the right sequence of the serial numbers of actual tanks manufactured by SUPERIOR MANUFACTURING COMPANY and she knew at the time that she prepared these forms that the tanks purportedly sold on these sales invoices were never manufactured by SUPERIOR MANUFACTURING COMPANY. She stated she recalls on this particular occasions she remained at the plant until approximately 11 nm She stated she recalls that on this particular occasion, SUPERIOR MANUFACTURING COMPANY, was at the offices of ORK and ALEXANDER. She stated she does not was doing at the plant at that time and did know what not see him handling any of the sales invoices being prepared She stated she does not recall where she obtained the information showing the date of delivery and the name of the customer except this information would have to be given to her She stated she is unable to recall where she received this information as to whether ORR gave her this information orally or whether he gave it to her in writing. She stated that the reason she is unable to recall this specific transaction is that she has been frequently called back to the SUPERIOR MANUFACTURING COMPANY PLANT at night to prepare forms at the direction of ORR and ALEXANDER.

ORR requested she bring her typewriter into his office. She said she then prepared bills of lading from information read to her by HAROLD ORR. She stated that this information came from copies of the chattel mortgages previously prepared by her in support of the loans obtained from the different finance companies. She stated she does not recall the number of bills of lading she prepared, but knows that it was a large number. She stated that these bills of lading would cite the exact manner in which these tanks were shipped to the different customers and would contain the certification, shipped by customer's truck or our own trucks. She stated these bills of lading bore prior dates and stated some of these dates were as old as ten months. She advised that on this particular occasion she recognized that these bills of lading were in

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support of the chattel mortgages which she had previously prepared and that these chattel mortgages had cited serial numbers of tanks that had never been manufactured by SUPERIOR MANUFACTURING COMPANY.

She advised that she desires to point out that on all legitimate sales prepared by her, these sales invoices were supported by the data sheet reflecting the actual inspections conducted by the Boiler Inspector of the tanks. She stated that on the chattel mortgages prepared by her and sales invoices prepared by her from information given to her by WAROLD ORR, some were not supported by data sheets and therefore she immediately recognized the fact that the tanks had not been manufactured.

She advised that on the morning of March 29, 1962, she reported for work and discovered that all of the records of SUPERIOR MANUFACTURING COMPANY had disappeared. She stated that remarked to her that all of the records of their office had disappeared. She stated that she did not discuss the disappearance of these records with ORR and ALEXANDER and that no excuse or explanation was offered to her.

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She stated that about a week prior to the arrest of ORR and ALEXANDER, ESTES and McSPADDEN, these four individuals held a meeting in ORR's office at the SUPERIOR MANUFACTURING COMPANY. She stated that in addition to these four, one Texas, was present. She stated that she does not know what what discussed at this meeting as the door to ORR's office was closed.

She repeated that she is the

SUPERIOR MANUFACTURING COMPANY. She stated that it is job to install the different tanks sold by SUPERIOR MANUFACTURING COMPANY. She stated this applies to the large storage tanks in the 10,000 to 20,000 gallon capacity. She advised that fine the arrest of ORR and ALEXANDER on March 29, 1962, confided in her that on at least two occasions he had been instructed by HAROLD ORR to change the serial plates on the tanks supposedly sold by SUPERIOR MANUFACTURING COMPANY. She stated that did not go into great detail as to the location of the tanks on

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which the serial numbers had been changed and she is not aware as to who helped him change the serial numbers on these tanks.

She stated that as _______in the installation of these large tanks, she assumes that _______assisted in the changing of the serial numbers on these tanks.

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She advised that the plates on which the serial numbers are stamped, arrive at SUPERIOR MANUFACTURING COMPANY from their supplier in Chicago. She stated that she believes that the AMERICAN NAME PLATE OF CHICAGO furnishes these plates. She stated that at the time they arrive at the plant, they are blank and that the serial number is stamped on to the serial plate by employees of SUPERIOR MANUFACTURING COMPANY.

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	ladvised he is	٦
	and is presently unemployed. He	
_	stated during the approximate period April 1957 through	
	October 1959 he wal	
	Texas. He stated	
	it was during this period of employment ne became acquainted	
	with BILLIE SOL ESTES having flown ESTES on charter flights on several occasions, the trips as he recalled being to	
	Plainview, Texas. He said the purpose of these trips by ESTES	
	was never known to him.	
		b
	stated in October 1959 ESTES acquired a	b
_	Cessna 310. and thereafter employed on a full time	
I	He said he was so employed by	
_	ESTES from October 1959 until August -1960. According to	
	he terminated his position with ESTES following an	
	argument with the latter regarding ESTES constant demands	
	on his time and the Calumreasonable attitude displayed by ESTES towards him. He explained it got to a point where he	
	could consider none of his time his own and that ESTES would	
	require him, without benefit of any explanation to fly ESTES	
	around the country without any consideration as to the imposition	
	he was making on said following the termination	
	of his employment with ESTES he went to	
	Superior Manufacturing Company (Superior) and was so employed	
	from about October 1960 through March 26, 1962. He related he	
	obtained this position as a result of a long distance call	
	received by him at Pecos, Texas from HAROLD ORR, an official	
	of Superior, who asked him to come to Amarillo for the purpose	
	of discussing a position of pilot with them. He stated he met with ORR at Amarillo, Texas at which time ORR made him a good	
	offer and as a result he accepted the job. At the time he	
	recalls Superior owned a Cessna 310 airplane, and later they	
	acquired an Aero Commander. He noted the understanding he had	
	with ORR at the time was that his job would be flying only but	
	that possibly at a later date and if his flight schedule would	
	permit he would be expected to double as a salesman in connection	
	with the various products manufactured and sold by Superior.	
	adviced devices the newfood he was employed by	k
	advised during the period he was employed by BILLIE SOL ESTES, there was only one person whom he considered	1
	to have received special consideration and favors from ESTES.	
	He identified this person as one JAMES A. TURRIFF, whose identity	
		-
7	File # DL 29-1096 EP 29-351	_
•	EP 29-351	
	n 4/18/62 at Amarillo, Texas Date dictated 4/24/62	_
1		
	y Special Agents RAYMOND C ECKENRODE &	b
,	y Special Agente—	b

at that time and relationship to ESTES was unknown to him. He noted it was only after he went to work for Superior that he learned that TURRIFF was actually an official of CIT Corporation, Dallas, Texas. With respect to TURRIFF, saidhe recalled at least four occasions when he flew TURRIFF to various points on direct instructions of ESTES. these occasions was in 1959, purpose and circumstance of the trip not now recalled. In February 1960 and on instructions of ESTES, he picked TURRIFF and his family up at Dallas, Texas and flew them to New Orleans, Louisiana where they spent several days in that city during the Mardi Gras festivities. It was his recollection he picked TURRIFF and his family up at Dallas on a Monday afternoon and that they returned to Dallas the following Sunday afternoon. He said his only instruction from ESTES was to pick up TURRIFF and his family and take them to New Orleans and stav with them at that city until their visit was completed. | said ESTES did not provide him with any money nor did he give him any instructions concerning entertainment of the TURRIFFS while at New Orleans. He claimed for this reason he could not now state whether or not the expense of the trip, aside from that incurred in the airplane flight, was paid by ESTES or by TURRIFF himself. stated on another occasion and on instructions of ESTES, he flew to Dallas and picked up TURRIFF and returned with TURRIFF to Pecos, Texas. He claimed he did not know the purpose of this trip and that TURRIFF never disclosed to him extent of his association with ESTES. He did recall TURR IFF always spoke highly of ESTES and indicated a close friendship between the two. Aside from TURRIFF the only other individuals. he recalled flying on instructions of ESTES were FRANK CLEMENT, then governor of Tennessee. and Senator RALPH-YARBOROUGH of Texas. Concerning CLEMENT, said he picked the latter up at Memphis or Nashville, Tennessee and flew him to Abilene, Texas where he addressed and assemblage of the Abilene Christian College. He stated he believed this was in the spring of 1960 and that ESTES also attended this affair which was sponsored by the Church of Christ. Concerning Senator YARBOROUGH, it was recollection he only flew him on one occasion, the purpose and circumstances of the trip not now being recalled, but he was quite certain that ESTES did not accompany Senator YARBOROUGH on this trip. He said he was not certain but believed

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possibly this trip was from Austin, Texas to San Angelo, Texas.

b6 advised while in the employ of ESTES, and b7C both during the time that Superior was owned by ROBERT E. CLEMENTS as well as subsequent to the date that CLEMENTS sold Superior to COLEMAN MC SPADDEN, HAROLD ORR and RUEL ALEXANDER, he made numerous flying trips on ESTES' instructions with sealed envelopes which he delivered to particular individuals at specific locations given him by ESTES. He stated he was usually ment by these individuals at the airport and in accordance with prior instructions from ESTES, he waited for these individuals to examine the contents of the envelopes and then immediately return with them to Pecos. He stated initially he was not aware of the contents of these envelopes, but at later dates he signed various other documents as a witness to the signature of the individual to whom he had delivered it. He stated it was at this time that he observed the documents in question were sales contracts, which covered equipment these individuals were supposedly buying from Lubbock Machine and Supply Company (LMS), Lubbock, Texas and Superior. He claimed he did not pay too much attention to the equipment described in the document and, therefore, could not state whether or not they were anhydrous ammonia tanks. He stated he recalled several such trips to Davis Propane, Fawler, Colorado; Texas: Lester-Stone Company, Plainview, Texas; COLEMAN at both Hereford, Texas and Lubbock, Texas; to a Mickells Ginning Company, Sudan, Texas noting on these occasions, or at least on one occasion, he took ESTES and another individual not now recalled, to Sudan, Texas to meet with recalling which meeting he did not attend; he flew ESTES to Hereford, Texas for a meeting with the .; delivering purpose of it being unknown; to envelopes as well as picking up envelopes on several occasions from at both Hereford, Texas and Plainview, Texas; advised in addition to the above and during the late spring 1960, he was instructed by ESTES to fly to Amarillo, Texas and take a room at the Ramada Inn where he was to wait for

a call from HAROLD E. ORR, an official of Superior. He stated ESTES gave him no other information concerning this trip and he

did not know exactly what he was to do once he was contacted by ORR.

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He said, however, that after he checked into the Ramada Inn, he received a call from HAROLD E. ORR and thereafter met ORR and COLEMAN MC SPADDEN and flew them to Minneapolis, Minnesota. He stated at Minneapolis, MC SPADDEN and ORR visited the offices of the First Acceptance Corporation and thereafter flew them from there to South Bend, Indiana, where they called on Associates Investment Company. He stated ithe did not attend any of the meetings above stated with finance company officials, but based on conversation between MC SPADDEN and ORR he recalled that apparently the purpose of the trip was to establish a line of credit for Superior with these companies. said based on the reactions of ORR and MC SPADDEN following these meetings, he presumed they were successful in whatever business they had attempted to transact with the officials of the finance companies.

stated while with ESTES he always left
there was some sort of business connection between ESTES and
COLEMAN MC SPADDEN but noted on the surface, however, there
was always reason to believe they were competitors. He said
at one point he considered the possible link between MC SPADDEN
and ESTES was HAROLD E. ORR. He hastened to point it out however
he never had any personal knowledge based on information provided
by them or anyone else that there was any association or connection
between ESTES and officials of Superior Manufacturing Company.
He noted that while with ESTES he did observe COLEMAN MC SPADDEN
fly into Pecos, Texas by another aircraft and that on this
occasions MC SPADDEN met with ESTES, purpose unknown to
He pointed out he never, to his knowledge, flew
MC SPADDEN and ESTES anywhere together.

related during the period from about October 1959 to June 1960 he had occasion to fly ESTES to Amarillo, Texas on about 30 to 50 times where he was met in almost every instance at the airport by HAROLD ORR or RUEL ALEXANDER or some other representative of Superior Manufacturing Company. He stated he never knew the purpose of these visits noting he and ESTES were always met at the airport and that he was instructed by ESTES on these occasions to remain at the airport until he had completed his business. He noted, however, he recalled on about two of these trips he did accompany ESTES to the offices of Superior and that while there ESTES met in closed door conferences with ROBERT E, CLEMENTS, athen president and owner

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of Superior. He further recalled CLEMENTS met ESTES at the Amarillo Airport on one occasion and that the two left together presumably to go to Superior Manufacturing Company and he, did not accompany them on this occasion. ESTES never confided in him any business relationship which he had with CLEMENTS or Superior. volunteered during the period Superior was owned by ROBERT E. CLEMENTS, and on instructions of BILLIE SOL then both salesmen ESTES, he flew HAROLD E. ORR and of Superior, on 3 or more business trips to the states of New Mexico and Arizona. He stated he observed nothing unusual with respect to these trips and as far as he knew ORR merely called on customers of Superior in an effort to sell them certain of the products being manufactured by Superior. He said admittedly he considered it unusual that he should be instructed to fly personnel of other business about the country by ESTES, but at the time he attached no significance to these trips and never questioned ESTES' purposes for having him do soadvised in for Superior commencing in about October 1960, his duties Superior management at first merely personnel and sales personnel on routine business trips within the state of Texas as well as out of the state of Texas. stated on the surface these trips always appeared to be legitimate and he has never had any reason to question them. He noted shortly after beginning his employment with Superior, however, and continuously thereafter, he made innumerable trips always on the instructions of HAROLD E. ERR to deliver sealed envelopes to individuals and firms located outside of Amarillo, Texas principally in the Panhandle and South Plains section of Texas. He also said he made similar trips, however, to Pecos, Texas as well as the area surrounding Pecos, Texas. On each of these trips he would secure signatures of individuals on sales contracts drawn up by Superior Manufacturing Company, an many instances witnessing the signatures, and thereafter, in accordance with instructions given to him, he would take these sales contracts to the county seats of the respectate areas where he had secured the signatures and filed the contracts He further volunteered that in most instances the for record.

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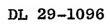
envelopes which he delivered included letters from Superior and BILLIE SOL ESTES which in effect guaranteed the individuals signing the contracts so they would not be held liable in the event the contracts ever became delinquent. He claimed to his knowledge the documents involved in these instance, to his knowledge, did not contain any form of a lease agreement.

advised he recalled on one occasion pursuant to instructions of HAROLD ORR, he flew a number of envelopes to Pecos, Texas and delivered them to the offices of BILLIE At ESTES office he gave the envelopes to BILLIE SOL ESTES. On this occasion he recalled informed him en route to ESTES! office or else was in the outer office | was to wait in an outer office until and that he. the documents in question were completed and he could then take them back to Superior with him. He said based on this he gained the impression that the documents which he had and that he was to delivered were to be signed by thereafter return them to Superior. Concerning the above, said he made other trips to Pecos and in each instance per instructions of ORR he was to take the envelopes involved office for processing and signatures to that the documents after being signed were to be taken by him to specific countyeseats where he was to record the chattel claimed he never paid too much mortgages involved. attention to just what the mortgages covered but occasionally noted the amount of the mortgage was for a large sums of money, and that sometimes the particular contract was filed for record by him in more than one county.

With respect to the frequent trips made by him involving delivery of envelopes containing sales contracts stated such trips varied in purpose, noting certain envelopes and contracts were delivered only to ESTES' offices at Pecos where he would leave them with and in turn pick up other envelopes for return to Superior. On other trips he would take the envelopes directly to individual farmers for signatures and thereafter file them for record at county clerk's offices; on still other trips he would merely take sales contracts which had already been signed to county clerk's offices for filling;

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and occasionally would secure a signature on contracts and return them to Superior without filing them.	
identified the following as names he recognized as being on the contracts and delivered by him under the above catagories:	b6 b7С
Contracts delivered to, and picked up from to BILLIE SOL ESTES at Pecos, Texas:	ь6 ь70
GLEN ALEXANDER: G. M. ATWOOD;	<u> </u>
BILLIE SOL ESTES; ESTES Enterprises: Fort Stockton Implement Company);	į
he delivered them to and thereafter flet and BILLIE SOL ESTES, directly to the location where these individuals resided or worked where secured their signatures on the contracts. 2. Contracts flown direct to individuals for signature and immediate filing by	Ь6 Ь70
CHANDLER Company; GILLETTE Dine and Supply Company JIM-MC CORMACY Ginning Company WHEELER Fertilizer Company WHEELER Fertilizer Company	
2. 3. Contracts filed only. LESTER-STONE Company (2 contracts);	b6 b70
WORSHAM Gas Company; and	٠.

also recalled having one or more contracts signed by STRAWN Farm and Ranch Supply, Perryton, Texas, which contracts were thereafter returned directly to Superior and not filed by him.
He further recalled on one or more occasions he flew HAROLD E. ORR to Fowler, Colorado, where ORR secured the signature of
In addition to trips with respect to contracts stated he also recalled having made 2 trips to Hereford, Texas in the spring and summer of 1961 where he delivered cardboard boxes which "felt like a ton of lead" to He recalled one of these trips was on a Sunday and that he had 2 such packages, one of which was marked with name and the other with the name of MC SPADDEN. He stated
met him at the airport on this occasion and he delivered the packages to and does not know what disposition was made of them by He further claimed he did not know what the contents of the packages were other than the fact they were extremely heavy. said at about this same time he flew a similar heavy package from Amarillo to Pecos, Texas where he delivered it to of BILLIE SOL ESTES.
first trip to Hereford, Texas to and the above trip to Pecos, Texas, CIT Corporation was conducting an investigation into the contracts purchased by them from Superior, basis for the investigation being reportedly because an employee of CIT had accused Superior as well as one of their employees of some sort of "skullduggery". Claimed he did not know the exact details of the investigation being conducted and that the information above was given to him by HAROLD ORR.
In connection with the above said he remembered that shortly prior to this CIT investigation and in the spring of 1961 on the instructions of HAROLD ORR, he flew to Dallas, Texas where he picked up JAMES A. TURRIFF and brought the latter back to Amarillo Texas where he met with HAROLD ORR and RUEL ALEXANDER.

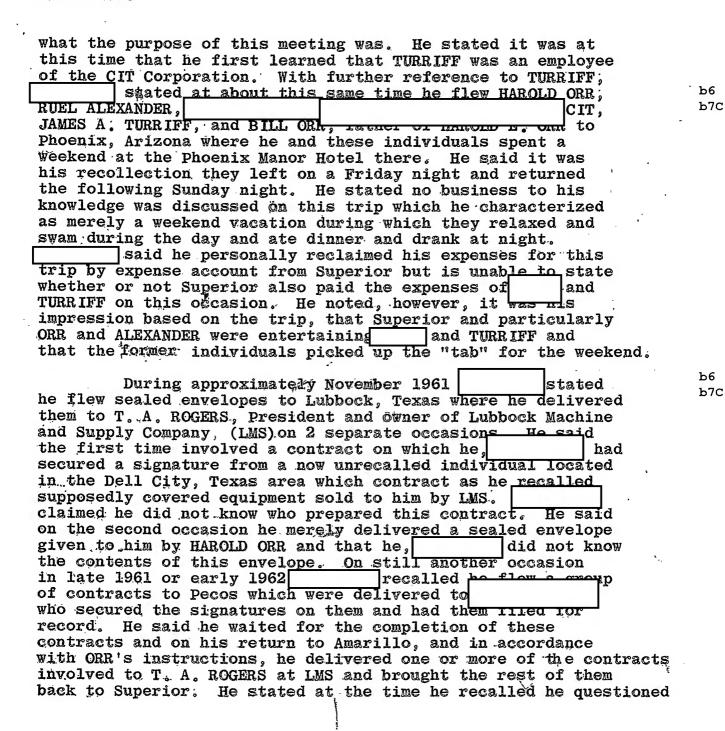
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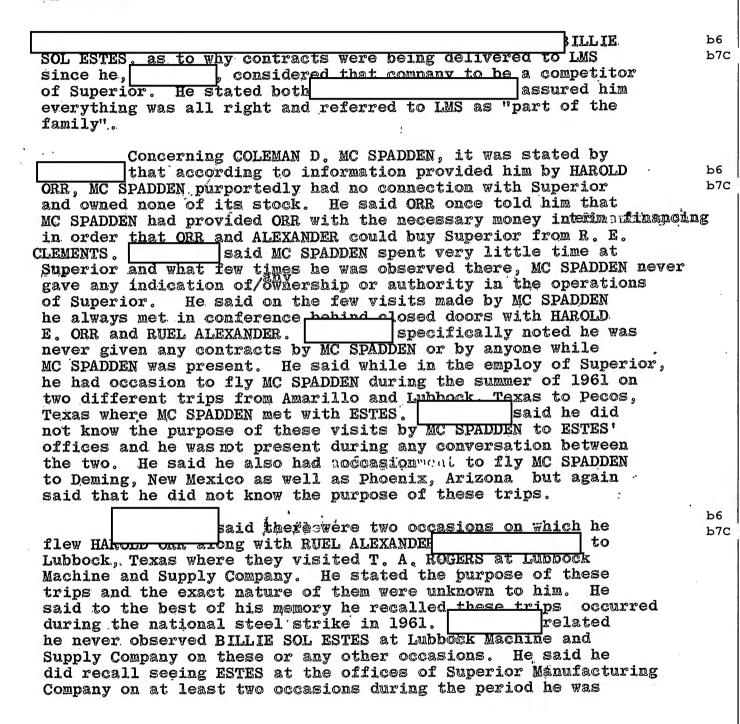
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employed by Superior. He stated he was unable to recall the dates of these visits by ESTES and the purpose of the visits by ESTES were unknown to him. b6 further advised on several occasions he b7C flew HARDLD E. ORR and RUEL ALEXANDER to Los Angeles, California where they delivered executed contracts to Pacific Finance Company. He said on other occasions he delivered by himself envelopes containing contracts to Fort Wayne, Indiana where he delivered the contracts to a finance company now believed to have been General Leasing of Fort Wayne. He stated on these trips he has no recollection of picking up any checks of this finance company for delivery back to Superior. Following the termination of his employment with CIT accepted a position **b6** Corporation,L claimed he did not with Superior as vice president. b7C performed or was expected to know exactly what duties perform for the company but was of the impression that dealt mainly with management problems of the company. was still employed once told him that while by EIT he was paid \$500.00 per month by Superior for consultant said he did not know just what type of services. lperformed for Superior. He further service this was which was hired by Superior he, advised immediately after ___ was informed by HAROLD E. ORR that BILLIE SOL ESTES was paying salary which he was receiving in his position one half of claimed ORR did not elaborate on this with Superior. comment and accordingly he had no information as to exactly what this arrangement was with respect to the salary of in about January 1961, while **b6** According to Superior's airplane was being repaired at Dallas, Texas, HAROLD b7C E. ORR told him to go to Pecos, Texas and fly for BILLIE SOL ESTES inasmuch as ESTES needed a pilot since stated his regular pilot, was busy on other matters. he drove from Amarillo to Pecos, Texas in his personal car and thereafter flew ESTES' plane for him for about 10 days. said during this time he flew ESTES on one trip to Plainview, Texas where they were met at the airport by met them at the airport Lester-Stone Company. He stated

and they went directly from the airport to the Hilton Hotel in Plainview for lunch. Present at this luncheon were two men not identified or otherwise recalled by recalls they were identified as employees of the United States Government who had something to do with grain storage. He said it was his recollection one of these individuals was from Binghamton or Buffalo, New York and the other man was from Washington, D.C. Following the lunch all of them went to the premises of the United Elevators in Plainview, Texas where they made a tour of the various grain elevators owned at that location by ESTES. He said this tour was conducted by WAYNE COOPER, manager of United Elevators and it appeared the two government employees were more or less inspecting the elevators and directed several questions concerning the operation to WAYNE COOPER which was answered by him. stated although he could not be certain he gained the impression at the time these government employees had made the trip to approve additional storage or transactions of some sort with ESTES. He stated to his knowledge there was nothing regarding this trip which could characterize it as being irregular or improper.

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stated during this same ten day period and acting on instructions given him by he made one flight to El Paso, Texas where he filed a sales contract which was in the name of an individual byothe name of He said he made still another flight to Clifton, Texas which is near Waco, Texas where he contacted secured his signature on a contract, and thereafter filed same in the county clerk's office. He said these were the only specific trips he could recall making for ESTES during this ten day period of time.

stated that although there was always some doubt in his mind concerning the propriety of the contracts being delivered by him and subsequently discounted by Superior with finance companies, he claimed he never had any personal or direct knowledge that such contracts were fictitious. He reiterated that HAROLD ORR and RUEL ALEXANDER and BILLIE SOL ESTES never confided in him concerning the contracts and what he was doing with them.

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EP 29-351

V. LUBBOCK MACHINE AND SUPPLY, INC., LUBBOCK, TEXAS

1.	THELMER	A.	ROGERS,	President	 ۰	۰	•	•	<u>Page</u> 240
2.	Machine	and	Supply,	Inc.	bb ee			29	4)

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FEDERAL BUREAU OF INVESTIGATION

0.21=1	Date
BORN 8-21-6	FRS, President, Lubbock Machine and
301574	5-ERSTLUBBOOK
THELMER ALLED ROC	enue H, was advised that he did not have
o make a statement and tha	it any statement he made could be used
gainst him in a court of l	law. He was advised of his right to
onsult an attorney before	making a statement.
He advised that h	ne had conferred with his
concernin	ng his dealings with BILLIE SOL ESTES
nd stated that as he has r	not knowingly committed a wrong act, ne
s willing to freely discus	ss his actions with ESTES, the Superior with the finance companies who handled
MRS THELMI	the Lubbock Machine and Supply Company,
He advised that	the Lubbock Machine and Supply Company,
nc. (LM&S) is a family-own	ned corporation owned by him and his ecretary-Treasurer. He advised that
11 FC . IN A A SOLICA AND MULICIPAL SOLICA AND SOLICA A	4
	He advised that he
	y .
ROGERS advised the second seco	hat he has placed mortgage paper with companies representing merchandise
everal different finance of the has sold to his cur	companies representing merchandise stomers, and therefore, is well ac-
everal different finance of hat he has sold to his cus wainted with some of the	companies representing merchandise stomers, and, therefore, is well ac- officers of these companies. He
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that told him that his c ompany, C.I.T.	
lot of notes for tanks manufactured by Super	
He stated mentioned this subject to him	
from about February, 1960, until July, 1960.	He advised that
also discredithe adventage of discrete	
for ESTES with	LM&S, and stated he
believes that discussed this possibilit	y with more
than he did with him (ROGERS).	

He advised that he desires to point out that he has known BILLIE SOL ESTES for several years as he is a fellow-member in the Church of Christ with ESTES. He advised he knew that ESTES had built a large empire in the distribution of liquid ammonia fertilizer, grain storage, ownership of a newspaper, and many other businesses. He advised he knew that ESTES was considered to be the largest distributor of liquid fertilizer in the United States and that his grain storage warehouses made him the largest dealer in this type of storage in the State of Texas. He stated he knew if he could obtain a contract with ESTES to manufacture tanks he could possibly obtain enough volume to make a nice profit. He stated he did not contact ESTES in an effort to obtain this business but continually heard of ESTES expanding fertilizer and grain storage businesses from ESTES' competitors.

ROGERS advised that in about July, 1960, BILLIE SOL ESTES contacted him in his (ROGERS) office in Lubbock and approached him about financing some 1,000 gallon ammonia fertilizer tanks which he, ESTES, owned. He advised that ESTES told him that he owned a large quantity of these tanks and had kept them in fields, sub-stations, and "by the hundreds" as he wanted to let his competitors know that he had the facilities to handle the fertilizer needs of the many towns and areas he covered. He stated that he has personally seen tanks that ESTES would leave lying empty in fields in or near Littlefield, Olton, Hereford, and Plainview, Texas. He stated that ESTES further claimed that he made so much money in the storage of grain that he had to have something to charge depreciation on. He stated ESTES claimed he had obtained a five year charge off schedule permit from the Internal Revenue Service with permission to charge off 40 percent the first year. He stated ESTES advised him he could sell the tanks to the many farmers in the West Texas area for them to use in their businesses, lease back to him. or rent to their neighbors.

ROGERS stated that ESTES maintained that the finance companies were reluctant to finance pressure tanks for individuals unless the mortgage was endorsed by a tank manufacturer as the finance company would have no way of disposing of any tanks that had to be repossessed. He advised he knew this to be true from the many years he has sold and handled mortgage financing on pressure tanks. He stated ESTES told him that if he (ROGERS) would place the loans with the different finance companies, he (ESTES) would furnish the buyers, obtain the signatures on the chattel mortgages, notes, and bills of sale, and would personally sign a warranty from ESTES to the LM&S insuring LM&S from any loss in the event any customer defaulted in his payments. He stated during this conversation with ESTES, only used, or tanks already manufactured and owned by ESTES, were discussed and the name of Superior Manufacturing Company did not enter into the discussion. He stated that ESTES offered to give him (ROGERS) 5 percent commission on all notes handled by LM&S which ROGERS endorsed without recourse and 10 percent commission on all notes handled on which he (ROGERS) endorsed with recourse. He advised he agreed to act as a "broker" for ESTES and ESTES was to furnish all serial numbers, chattel mortgages, and other instruments needed to perfect the loan. He repeated these tanks were represented to him as being used tanks that ESTES had rented or leased to farmers and which ESTES represented had been reconditioned where needed. He advised that ESTES told him he had made prior arrangements to finance some of the loans and on different occasions told him which finance company to place a certain customer's application with.

He advised that in July, 1960, he began handling loan papers for ESTES which were submitted to him by ESTES, from Pecos, Texas. He advised he does not recall the exact means used to transport each loan, but stated that some were mailed, some were dropped off at his office by ESTES, and some were left at the Lubbock Municipal Airport by the private pilots for Estes. He stated that on several occasions ESTES would call him, from Pecos, Texas, and inform him that one of his pilots was en route to Amarillo, Hereford, or some other town north of Lubbock, and that he would send some loan applications with this pilot who would land at the Lubbock airport and leave the papers there for He advised that he would send one of his men to the Lubbock Municipal Airport, obtain the executed loan application forms, chattel mortgage, serial numbers of the tanks sold, note, financial statement, and other documents needed to obtain the financing on each loan. He advised that in all the loans he placed for ESTES, he (ESTES) furnished the serial numbers on the

tanks supposedly sold to the farmers, and at no time did he (ROGERS) or anyone with LM&S obtain any of these serial numbers from the Superior Manufacturing Company, Amarillo.

ROGERS advised that from August 4, 1960, and continuing on until 1962, he handled a grand total of \$5,343,376.32 in loans submitted to him by BILLIE SOL ESTES. He advised in most instances he was informed by ESTES as to which of the finance companies he should place the individual loans with and stated that from time to time

C.I.T. Finance, would come into LM&S and make general inquiries concerning the loans being submitted by ESTES. He stated that by virtue of the fraud involved in this matter, he has prepared a detailed work sheet showing the full facts about each loan that he placed with the different finance companies and voluntarily furnished a copy of this detailed work sheet.

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He advised that when he first began handling the loan papers for ESTES, he would take the check made payable to the LM&S from the finance companies and deposit this check, representing the net proceeds of the loam, in his bank account at the Lubbock National Bank, Lubbock, Texas. He advised he would then execute a check on LM&S made payable to ESTES in the amount of 90 percent of the net amount of the loan. He advised the other 10 percent was his commission for acting as broker on the loans. He stated this practice continued until 1961, when ESTES contacted him and persuaded him to build two large grain storage warehouses at Plainview, Texas. He stated that from October 28, 1960, up through and including March 23, 1962, he has had a total sales to BILLIE SOL ESTES in the amount of \$1,961,374.30. He stated that of this total sales, ESTES still owes him \$697,680.20.

He advised that after he began selling large grain storage tanks to ESTES, he set up an accounts receivable credit under the name United Elevators, Box 1592, Plainview, Texas, which is owned by ESTES. He stated from that time on he deposited the checks made payable to LN&S by the finance companies representing the different loans that he handled for ESTES into his account and would merely credit the account United Elevators for 90 percent of the net amount of each loan. He estimated that out of the excess of \$5,000,000 in loans he has handled for ESTES, approximately one-half of these loans were remitted to ESTES in the form of a check and the other half were credited to the United Elevators account at LM&S.

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He furnished a ledger sheet of United Elevators reflecting an unpaid balance of \$697,680.20.

ROGERS stated that when ESTES contacted him concerning the building of grain storage tanks at Plainview, Texas, ESTES claimed that he could get the tanks built for 11 cents per bushel of grain to be stored. He stated that ESTES claimed that the Commodity Credit Corporation would pay him 12 cents per bushel per year to store this grain plus 2 cents per bushel handling charges. He stated ESTES continually remarked that he could pay for the warehouses the first year, all taxes and interest the second year, and that everything from there out would be clear profit. He stated he is repeating this assertion by ESTES because ESTES used this as a reason why he needed to use the 1,000 gallon ammonia tanks as depletion or write off charge against the excess profits he was making out of the grain storage business. He stated ESTES often boasted of the fact he was on the advisory council for the Commodity Credit Corporation in Washington, D. C. and that he obtained information concerning their storage policies before it was known to the general public. He stated ESTES never mentioned names of anyone who furnished him this information. ESTES informed him that it was necessary for him to have excess storage space because he had learned that Commodity Credit Corporation intended to limit an individual warehouseman to a certain percentage of his storage capacity.

ROGERS stated that in about October or November.
1960 for C.I.T.
Finance, came into LESS and informed him (NUGERS) that "from
now on all the tanks coming in on these deals will be new tanks
manufactured by Superior Manufacturing Company". He stated at
this time he did not stop to think as to why ESTES would need
him (ROGERS) to endorse the chattel mortgages and notes of the
individual farmers when ESTES could obtain the same endorsement
from Superior Manufacturing Company without having to pay LM&S
the 10 percent brokerage fee. He stated that by virtue of the
numerous times that has mentioned the financing of tanks
for ESTES, plus the fact that was the one who informed
him that beginning in October or November, 1960, all tanks to
be financed would be now tonks monufactured by Superior. plus
the fact that C.I.T.
Superior Manufacturing Company, he is of the
opinion that received some financial remuneration for his
dealings with BILLIE SOL ESTES.

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He stated that in furtherance of his opinion as to involvement in this matter, he recalls in July, 1961, two representatives of the C.I.T. Finance came to LM&S and "tore my files wrong-side out" attempting to find some correspondence between LM&S and Superior Manufacturing Company. He stated that he assured these two officials that there was no correspondence between Superior Manufacturing Company and his company in which Superior supposedly furnished the serial numbers of the tanks mortgaged and stated that these men left his office under the impression that he had concealed such correspondence from them. He stated that at a later date he asked a representative of C.I.T. as to whether their investigation had uncovered any wrongdoing on the part of ESTES or C.I.T. and stated this representative informed him that the tanks had been verified as being in existence and that nothing was wrong with the loans. stated he has now determined that in July, 1961, C.I.T. Finance refused to extend any additional credit in financing any of the loans and stated that he is of the opinion that C.I.T. knew as far back as July, 1961, that the tanks being mortgaged by ESTES were not in existence. He stated that in furtherance of this belief, shortly before the arrest of ESTES, two officials of C.I.T., names unknown to him, again came to his office and requested to review his files on all loans financed by C.I.T. He stated he then questioned these two C.I.T. officials as to why the investigation conducted by C.I.T. in July, 1961, had not uncovered the wrongdoing on the part of ESTES. He stated one of these officials replied to him "We knew as far back as summer of 1961 these tanks did not exist."

ROBERS stated that he desires to point out that when linformed him that the tanks to be financed from that day forward were new tanks manufactured by Superior Manufacturing Company, he (ROGERS) called HAROLD E. ORR, President, Superior Manufacturing Company, Amarillo, and asked him if that company had resumed manufacturing anhydrous ammonia tanks for ESTES. He stated ORR's reply was "We never stopped building them; we're building them by the thousands." He stated by virtue of this remark and by virtue of the fact he did not know the association of Superior Manufacturing Company in relation to ESTES, he had no reason to question that the serial numbers furnished to him by ESTES were fictitious. He stated in support of his contention that all the serial numbers of the tanks to be financed, plus all of the loan documents were forwarded to him by BILLIE SOL ESTES, he desires to furnish verifax copies of the transmittal letters sending these serial numbers and documents to LM&S. He stated he desires also to

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furnish a sample copy of the guaranty agreement signed in each of the loans handled by LM&S for ESTES, and stated that this guaranty agreement certifies that ESTES, under Billie Sol Estes Enterprises, unconditionally guaranteed through the mortgagees the full and complete payment of the loan described in each of the guaranty agreements in the event the principal thereon refused or failed to meet his regular monthly payments. He repeated that he obtained this waranty signed by ESTES on each of the contracts he handled for ESTES.

ROGERS stated that he desires to again state that he at no time had any conversation with Superior Manufacturing Company concerning the tanks supposedly manufactured by that company for ESTES, with the exception of the telephone conversation as previously described. He stated that on one occasion his company did write to Superior asking them about what series their tank numbers began and ended in and stated that Superior merely answered by sending a blank sales contract to his company which did not enclose or include the serial numbers on any tanks. He stated that from that time forward all inquiries concerning serial numbers of tanks were handled between his office and the office of Billie Sol Estes Enterprises, Pecos, Texas.

He stated that although he knows COLEMAN MC SPADDEN, he did not handle any loans in which he has knowledge that MC SPADDEN has an interest in. He stated that on numerous occasions BILLIE SOL ESTES has used his telephone at the LM&S to talk to MC SPADDEN concerning the fertilizer and grain storage business. He stated that ESTES informed him that MC SPADDEN had a small fertilizer business in Hereford, Texas, and that some of the larger fertilizer distributors were angry with him (ESTES) for selling fertilizer so cheap and that he wanted to "throw a little business" to MC SPADDEN because he felt that if some of the fertilizer people complained to the Department of Justice there might be some antitrust suit instituted. He stated he knew that MC SPADDEN had an interest in Superior Manufacturing Company and that he assumed ESTES' remark about throwing a little business toward MC SPADDEN meant that ESTES intended to award the ammonia tank business to Superior to help MC SPADDEN.

ROGERS advised that of the \$1,961,374.30 in sales to ESTES, he only sold twenty 1,000 gallon anhydrous ammonia tanks to ESTES. He advised that the pressure tanks manufactured by his firm are inspected by boiler inspectors assigned to his plant

by the American Society of Mechanical Engineers. He stated
that in approximately January, 1962, the
who is now at District Ocean
Accident and Guaranty Company. He said in January, 1962,
of
each pressure vessel.

ROGERS is described as follows:

THELMER ALLEN ROGERS NAME Also known as T. A. ROGERS Race White Sex Male Age 56 Date of Birth August 21, 1905 Little River County, Arkansas Place of Birth Height 190 Weight Blue Eyes Hair Gray Residence 3015 - 25th Street, Lubbock, Texas WILLIE MAE ROGERS, same Wife address President - Lubbock Machine Occupation and Supply Company, 400 North Avenue H, Lubbock, Texas None Arrest record

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EP 29-351

VI. INTERVIEW WITH

ASSOCIATED GROWERS OF HEREFORD, TEXAS
(SOLE PROPRIETORSHIP OF COLEMAN D. MC SPADDEN)

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FEDERAL BUREAU OF INVESTIGATION

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Date April 26, 1962
He stated in the period October 15, 1958, through April 9, 1962 Hereford, Texas, a sole proprietorship owned by COLEMAN D. McSPADDEN. He said in the position held, he acted more or less
Texas, Associated Growers also maintained various branches located at New Deal, Texas; Friona, Texas; and Wildorado, Texas. were employed at each of these locations and they maintained the various subsidiary records including cash journals. He said these bookkeepers would furnish him monthly statements of operations of the various locations which he then posted in general ledgers maintained at Hereford, Texas, on both the operation at Hereford as well as the above mentioned branch offices.
According to at the end of each operating year these general books as well as the subsidiary journals and other records maintained on the various entities were forwarded to Lubbock, Texas, retained by McSPADDEN, who prepared the annual financial statements and thereafter kept all of the general books of the company. He noted because of this, he could only report and had available the various books on a year-to-year basis and, therefore, was not at any time able to see the over-all operations of the business.
In this connection, he specifically pointed out no records were available to him as to the aggregate capital assets and equipment held by Associated Growers at Hereford, as well as the other locations.
He stated the bookkeepers procedure as above described continued in effect until about January, 1962. At that time it was decided by McSPADDEN and that the records of the business should be centralized as well as its accounting functions at Lubbock, Texas. Accordingly, all books of account on the various entities, with the exception of the Hereford operation, were moved to Lubbock, Texas. He pointed out the books thereafter maintained
DL 29-1096 File # EP 29-351
on <u>4/16/62</u> at <u>Hereford, Texas</u> Date dictated <u>4/20/62</u>
by Special Agents RAYMOND C. ECKENRODE/pm 21:9

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at Hereford only related to the transactions engaged at that location and he did not have any data available as to the extent of operations then engaged in by the various branch offices.

said during the period of his association with Associated Growers, they engaged in vegetable processing; retailing of fertilizer (suppliers being Phillips, Armour Chemical, Olin Chemical Company, Ozark Mahoning, and for a short period in January, 1960, they were supplied anhydrous ammonia fertilizer manufactured by Commercial Solvents, New York, supplied through Farmers Company, a firm owned and operated by BILLIE SOL ESTES); retail of truck and passenger tires; and various insecticides.

stated Associated Growers, in connection with their rertifizer operations, purchased various quantities of anhydrous ammonia tanks for both storage and application of the fertilizer which were rented by them to various farmers at the time fertilizer was sold to them. it was his recollection all of these tanks were purchased from Superior Manufacturing Company and were set up on the books of the company as capital assets, with depreciation schedules being maintained on them, rate and depreciation life of the tanks not now being recalled. He said at the time the tanks were purchased from Superior they were financed or otherwise discounted by Superior with various finance companies and that Associated Growers thereafter made regular monthly payments in retirement of the installment obligations due the finance companies on them.

He said, however, during this same period, Associated was carrying on their records liabilities in the form of notes payable purporting obligations due certain individuals for alleged lease of anhydrous ammonia tanks from them by Associated Growers. He said these accounts were set up on the books by him only after he was provided with lease agreements reportedly executed by the company with these farmers and made available to him by McSPADDEN. These lease agreements were retained in appropriate file in the company offices. In furtherance of these lease

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agreements and in connection with the notes payable set up on the books, the company each month would disburse checks to these farmers commensurate with the monthly lease fee stated the notes recited in the lease agreements. payable accounts in queftion and carried in the names of COLEMAN McSPADDEN), pointed out that in connection with these notes payable, he had misgivings concerning the propriety of these accounts inasmuch as the tanks purportedly leased to Associated Growers had never been made a matter of record, either in inventory cards or otherwise, on the He noted he never questioned records of Associated Growers. McSPADDEN concerning this or his doubts concerning the tanks and that McSPADDEN at no time ever confided in him concerning the nature of these lease agreements. All such matters relating to tank purchases and leasing of tanks, were handled personally by McSPADDEN. according to said throughout the period of time he was associated with the company, they were continually witnessing difficulty in meeting current obligations and always seemed to be in need of additional working capital funds. In this regard he said during 1960 McSPADDEN assured him he would find a source of funds in order to meet and keep current all obligations of the company. Thereafter, there were received at the company offices in Hereford, on a rather regular basis, checks from Superior Manufacturing Company all in large amounts, such checks being received without any account receivable or other obligation appearing on the books of Associated Growers as being due from Superior said initially he felt these Manufacturing Company. funds were being furnished by Superior as more or less loans or working capital to Associated Growers inasmuch as he knew that McSPADDEN owned in excess of 60 per cent of Superior Manufacturing Company stock. On receipt of the checks, he would deposit same to the account of Associated Growers maintained at the First National Bank, Hereford, Texas, which account was later moved in March, 1961, to the Hereford

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State Bank. He said when these funds were deposited, he entered same as a debit to Cash of the company and the offsetting credit was set up by him on the books as an account receivable credit balance in the name of Superior Manufacturing Company.

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In early 1961, said McSPADDEN approached him and advised that he was opening an account under the style Caprock Steel Company at the Citizens National Bank, Lubbock, Texas, and that he (McSPADDEN) wanted to be one of the authorized signers of checks against this McSPADDEN did not volunteer any information as to why this account was being opened and, according to he did not seek any information from McSPADDEN concerning He said he signed the signature card as requested by Mc SPADDEN. He stated his instructions from McSPADDEN were that he was to draw checks against this Caprock Steel account as needed to pay current expenses of Associated Growers which would include current operating expenses as well as checks to the various individuals from whom Associated Growers had purportedly leased anhydrous ammonia tanks. said at first he did not know the source of the funds that were being deposited to this account; however, after the first month and on receipt of the bank statement at Hereford regarding this account, he found from a review of the deposit slips that the money being deposited to the account was in the form of checks of Superior Manufacturing Company. At this same time, he discovered that one of Associated Growers' branch maintained at New Deal, Texas, was also drawing checks against this account. He stated he did not have any independent recollection at this time as to the pavee on the checks drawn against the account by related that at such time as he drew checks on this account. they were signed by him as Caprock Steel Company which checks were personalized in the name He said in drawing these checks, he would of the company. always draw them to the order of Associated Growers and thereafter deposit the checks to the account of Associated Growers maintained in the banks at Hereford, Texas. turn, he would thereafter draw checks on Associated Growers' account in payment of operating expenses as well as in payment of the lease fees above mentioned.

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He pointed out he did not know what books, if any, were maintained on the Caprock Steel Company account, but noted that at such time as he drew checks against the account to the order of Associated Growers and in depositing them to the credit of Associated Growers, he set up an account receivable credit balance in the books of Associated Growers wherein he recorded the offsetting credit for this cash. The credit balance account receivable so created on the books, according to was in the name of Caprock Steel Company.

said for a short period of time following the creation of this Caprock Steel Company account, he also was continuously receiving checks from Superior Manufacturing Company payable to Associated Growers. As stated previously, he would deposit these checks to the account of Associated Growers in the Hereford bank and post his offsetting credit for these funds as a credit balance in an account receivable in the name of Superior Manufacturing Company. During this same period of time there were received at his office from Superior on various dates checks issued by them to the order of Caprock Steel Company, which checks he would endorse as Caprock Steel Company by and mail to the Lubbock bank for deposit to the Caprock Steel Company account No entries with respect to receipt of these checks, however, were made in the books of Associated Growers by him.

said at a later date they discontinued receiving checks payable to Associated Growers from Superior and that thereafter and continuously they received checks from Superior payable to Caprock Steel Company, which checks were being received by him in Hereford, Texas. He noted at the time this procedure changed, the credit balance in the Superior Manufacturing Company account receivable on the books of Associated Growers had grown to a rather large balance which he recalls was in excess of \$300,000.00. In view of this and because the Superior checks payable to Caprock Steel Company were being received by him at Hereford, he decided on his own authority without prior clearance with McSPADDEN to open an account at the Hereford State Bank,

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Hereford, Texas, in the name of Caprock Steel Company. This was done and he thereafter, rather than forwarding Caprock Steel Company checks to Lubbock, began depositing them at the Hereford State Bank. He said it was his present recollection the Caprock Steel Company account at Citizens National Bank, Lubbock, Texas, was closed shortly after this. Following deposit of the Superior checks to the Caprock account at Hereford, he in turn would issue checks against this account over his signature to the order of Associated Growers and, as stated previously above, would deposit these checks to the account of Associated Growers and use the funds so derived to pay current operating expenses as well as to meet lease payments on the purported tanks leased by Associated Growers from the individuals described previously.

At the time the checks were drawn on the Caprock Steel account and deposited to the credit of Associated Growers, he established in the books of Associated Growers an account receivable in the name of Caprock Steel Company and would credit this account with the amount of the checks drawn to the order of Associated Growers. He noted the checks payable to Caprock Steel, as well as those which had been received to the order of Associated Growers from Superior Manufacturing Company, were in all instances signed alternately in the names of HAROLD E. ORR, President of Superior, and RUEL ALEXANDER, known to him as the Secretary-Treasurer of Superior.

related at the time he terminated his employment with Associated Growers on April 9, 1962, the credit balance account receivable accounts in the name of both Caprock Steel Company and Superior Manufacturing Company were still recorded in the books, the balances therein not being recalled by him but were in large six-figure amounts. He further advised the bank statements of the Caprock Steel Company account at Hereford, Texas, were received and filed by him in the offices of Associated Growers of Hereford, but is unable to state at this time their current location or disposition.

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advised that although he had no personal knowledge that fraudulent conditional sales contracts and/or chattel mortgages were being created by COLEMAN McSPADDEN and Superior Manufacturing Company, he nevertheless did always suspect that something was irregular in connection with these transactions, involving the aforementioned receipts of money from Superior and the purported lease agreements entered by Associated Growers with the farmers and firms on which monthly checks were remitted by Associated Growers. He emphasized he was never confided in by McSPADDEN and, consequently, his suspicions were not confirmed until recent publicity following the arrests of BILLIE SOL ESTES, COLEMAN McSPADDEN, HAROLD ORR, and RUEL ALEXANDER.

He also recalled that his suspicions were further aroused during May, 1961. He stated at that time he was in Indiana on a vacation and as was his custom, he called the Associated Growers' office in Hereford to inquire as to whether or not there was any problem existing that he could On this occasion, he was informed by one of assist them in. the people in the office, identity not recalled, that things were rather hectic at the time inasmuch as representatives of CIT Corporation, a finance company, were then at the offices and were endeavoring to check out the collateral in the form of anhydrous ammonia tanks securing various chattel mortgage notes held by them in the name of Associated Growers. claimed he did not know the results of this inquiry by CIT since on his return to work from vacation, the matter had been quieted down and nothing further was said to him by McSPADDEN with respect to any possible difficulties encountered by the company with CIT representatives.

related during the entire period that he was associated with Associated Growers, he only recalled seeing BILLIE SOL ESTES at the premises of the company in Hereford on about two occasions. In each instance, ESTES met behind closed doors with McSPADDEN in the latter's offices and he was never a party to any of the conversations that transpired between the two men. He further stated that at no time did McSPADDEN ever volunteer to him the nature of the conversations or business that he may have entered into with ESTES.

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He also mentioned he had observed HAROLD ORR, as well as RUEL ALEXANDER, at the premises of Associated Growers in Hereford and in the company with McSPADDEN on various occasions, but never was in attendance at any meetings between these individuals. He claimed, as in the case of ESTES, he was never told the purpose or nature of the visits by ORR and ALEXANDER with McSPADDEN.

VII.	Interviews	
	OF SUPERIOR MANUFACTURING COMPANY AND ASSOCIATE	D
	GROWERS OF HEREFORD RELATIVE TO SWITCHING OF	
	SERIAL NUMBER PLATES.	

" _Г			Pe	ige
1	Superior Manufacturing Company	•	. 2	258
2.	Associated Growers	•	. 2	263
3.	Superior Manufacturing Company	•	. 2	272
4.[Superior Manufacturing Company	•	• 4	275
5.	Superior Manu-	•	, d	276
б.	Superior Manufacturing Company	•		277
7.	LOWELL A. SHARP, Sheriff, Deaf Smith County, Hereford, Texas	•		278

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als current p	RIOR), Amarillo. Texas. osition ifiaelly from about Ware	SUPERIOR MAN He said he has only and that prior L 1061 through Apri SUPERIOR's	y been in r to that
ictitious concernt public are any involute any involute are any involute are any involute are any involute and some are are are are are are are are are ar	advised he had no prenditional sales contractity concerning same. He ices, bills of lading, suments on any fictitious were not actually manufadvised in the normal RIOR and when tanks were refer to fill an order receiven number of tanks woult ated such job orders we ed by the company which all jobs handled in the all jobs handled in the liy in a chronological streasigned and followed a since in the manufacturs stages of production. The were to be assigned to estated these serial nusequence and were taken the stock room known as book served as a control etanks being manufactur would be recorded in the signated had been affixed.	vious knowledge of sprepared by SUPER pointed out he did hipping tickets, or tank sales or on a actured by the companufacturing procamanufacturing procamanufactured either ved from a customer doe prepared by the reprepared on a stabore printed numbers plant contained such equence. He said that as a matter of conting process the tank he stated once a would record the tanks as listed mbers were designate from a permanent rether tank book. He for the assignment ed and in assigning tank book that the	alleged IOR until not pre- any other ny instance any. ess fol- r to re- , a job e front andard s and n numbers nese trol in nks ran job order ne serial on this ed in ecord pointed of serial the numbers, serial
I many		File # EP-2	9-1096 9-351
on <u>4/26/62</u>	Anarillo, Texas RAYMOND C. ECKENBOLE a	Date dictated _	
by Special Agent _	DOWN OF THE PARTY	/nlf 258	•

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advis	sed during the pe	riod that he was	employed
in the stock room it			
being assigned to the	e tanks were in	a four digit ser	ies with
a letter S prefix a	d ran from about	4.000 to approx	imately
6,500. Within the	enk hook and onno	osite each seria	1 number
assigned, there was	enace provided to	o record the nam	e of the
customer or place to	apace provided to	was shinned the	date it
was shipped, invoice	on france of the column of	hilling of the	tank to a
customer. He noted	thic information	ie recorded in	the book
only after the tank			
According to	LS SHIPPER LIVE	tie praire et ene	AMYVOCC.
followed by SUPERIO	consistent with the	manuracturing	piocess nol test
increased by Soperior	t and lumediately	biror to me in	the ctook
inspection of the ta	ink by an independ	dent inspector,	bish is to
room employees make	up a serial numb	er name plate, w	nich is to
be affixed to the to	ink and made a pe	rmanent part the	reor. ne
stated in making up	a name plate, ne	would use lette	r and number
dies to stamp on the	is plate the seri	ar number brearo	usiy desi-
gnated for it, the	lop number ninger .	which it was man	uractured
the inspector's num	er which was usu	ally comparable	to that
assigned by SUPERIO	t as a serial num	ber with the exc	eption that
it contained a lett	er prefix B rathe	r than S, capaci	ty or the
tank, dimensions and	i maximum burstin	g pressure of th	e tank as
well as the month a	id year in which	it was manufactu	rea. He
said once these pla	tes were made the	y were sent to t	he brant
area where they wer	affixed to the	tanks in e	prior to
the final inspection	ı by the tank ins		vised
initially these name	plates were aff.	ixed directly to	the side
or head of the tank	s by spot welding	, but that in la	te summer ·
or early fall, 1961	, the company ado	pted the procedu	re of af-
fixing these plates	by rivets to a f	lange type base	plate which
was in turn welded	to the head of the	e tank. He said	the manner
in which this flang	e type base plate	was manufacture	d it left
a space of approxim	ately one half in	ch between the h	ead of the
tank and the point	at which the seri	al number plate	was riveted
to this base plate.	said the r	eason for this c	hange on the
part of the company	was unknown to h	im and he was wi	thout know-
ledge as to whose a	ithority the change	e was made.	•
	, m 1 m 2 m 2 m 2 m 2 m 2 m 2 m 2 m 2 m 2		
In April	or May, 1961,		who was
	for the com	pany brought a h	
list of numbers to	the stock room an	d instructed	to stamp

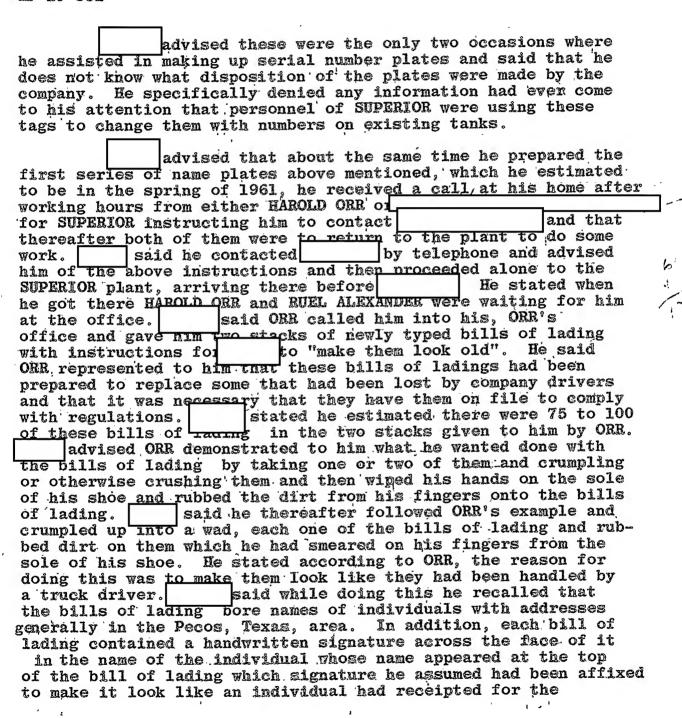
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out serial number plates bearing the numbers contained on this list. estimated there was approximately 75 serial numbers listed and that none of them corresponded with the current sequence of serial numbers being carried in the tank book and assigned to tanks manufactured in the plant. He said he could not now recall the specific sequence of digits in these serial numbers, but believed there were five or more numbers to each one. He stated he did not believe there was any letter prefixes indicated for these numbers. He said to the best of his recollection, the numbers given to him by on this occasion, did not follow any inclusive or continuous sequence of numbers, but that all such numbers were at complete variance with those actually being assigned to tanks manufactured in the plant.
According to this work was done after hours and that he was assisted in it by as well as he claimed no explanation was offered by concerning the reason for these plates and that after they were prepared they were wrapped in packages and given to The disposition of these serial number plates by is unknown to he said he seems to recall at the time they were making these plates made some mention of the fact that HAROLD ORR wanted the plates made up.
Several months later, according to, which he estimated as either the early fall or late summer of 1961, and after working hours he observed stamping serial number plates. He stated he volunteered to assit inasmuch as he was desireous of getting in some overtime said in stamping these serial number plates they again used a longhand list of numbers, which had been given to He said the exact sequence of these numbers was unknown to num but that they were at variance with those being assigned from the tank book for tanks manufactured in the plant. He said it is his current recollection there were letter prefixes to these numbers and that they were probably in a five digit or more series estimated approximately 200 serial number plates were stamped by and himself on this occasion and claimed no explanation was offered to him by or any
and claimed no explanation was offered to him by or any other official of SWPINION regarding the purpose of these plates.

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merchandise described in the document. denied any knowledge as to the person responsible for writing these signatures on these documents, and further claimed he could not remember! just what type of equipment was described in the body of them. said subsequent to his arrival but that he. did not know what incame to the plant. engaged in that evening. structions or work He stated during the course of the evening he observed RUEL ALEXANDER in his office and that he was working on or otherwise writing said he paid no in a ledger type accounting book. particular attention to what ALEXANDER was doing, noting that as a matter of course he knew that ALEXANDER was Secretary-Treasurer of the corporation and as such kept the books of account of the company. advised that aside from himself, ORR, ALEXANDER, there was no one else present at the plant that evening to his knowledge. He further advised he did not know what activity was engaged in by HAROLD ORR during the course of the evening. He said the next morning ORR made a comment to him which indicated that both ORR and ALEXANDER had apparently remained at the plant the entire night inasmuch as they both gave the appearance of having had a lack of sleep and were wearing the same clothing that he had observed on them the previous night.

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<u> </u>		,	
of Deaf Smith (make a statement used against his	County. He was advint and that any station in a court of law	t the office of the Sheriff sed that he did not have to ement he did make could be He was advised of his	
right to consu	<u>fan</u> attorney befor	e making a statement.	
Growers or mer	stated he has be	en employed by Associated and controlled by COLEMAN	
D. MC SPADDEN	871 S H 7130 CT	Ho stated he had been	
	ne stated his pr	esent annual salary is	
\$4,800. Ho da	the of sufficient has been as		
Growers Coleman	MG CDADDEST T	-1. (5)	
ASSOCIATED Gran	ore Hostatal	ck, Texas, purchased ce October, 1958, MC	
SPADDEN has hea	n actively managing	the affairs of Associated	
Growers and has	Spent the weeks in	Hereford commuting to	
Lubbock on the	weekends.		
,	7		
	stated in the sp	ring of 1961, exact date now	
unrecalled, COI	EMAN D. MC SPADDEN	approached him at the small	
cebair, suob Tóc	ated at the rear of	the offices of Associated	
Growers in Here	ford, Texas. He sta	ated MC SPADDEN handed him	
approximately 2	0 serial plates bear	ring the hame of Superior	
Manufacturing C	ompany of Amarillo,	Texas. He stated	
MC SPADDEN info	rmed him he wanted]	him to change the serial	
plates on the 1	,000 gallon capacit	y anhydrous ammonia tanks	
owned by Associ	ated Growers. He st	tated he is unable to	
recall othe exac	t number of these se	erial plates, but defin-	
itely recalls i	t was somewhere bety	ween 10 and 20 serial plates.	
ie stated these	serial plates alrea	ady had the serial numbers	
stamped on them	and it was necessar	ry for him to pull the	
t, ooo garron an	nydrous ammonia tani	ks up to the shop in order	
nat he courd c	nisel oil the old se	erial plates. He stated he	
rollon ammonts	-werd the new serial	l plates onto the 1,000	
then need of emo	tanks. He stated at	t MC SPADDEN's orders, he	
naint over the	rem coriol mlose in	nt, white in color, to	
the old plate a	men serrar prace in	order that it would match	
mo ora prace r	emoved from the cans	i. he stated he changed	
•			
The AND		•	
	•	•	
	•	ل DL 29-1096	•
4/27/62 gt	Hereford, Texas	File #_EP 29-351	
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	/rem fo	263	

Date dictated _

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serial plates on the l,000 gallon storage tanks located in the yard of Associated Growers in Hereford, Texas. He stated the following day MC SPADDEN informed him that the workers employed by Associated Growers at Friona, Texas, were unable to operate the electric welder and requested that he drive to Friona and help the employees at that plant change some serial plates on 1,000 gallon storage tanks located there. He stated he drove to Friona, Texas, and assisted in changing approximately 25 to 30 of the serial plates on the 1,000 gallon storage tanks located at that plant. He stated he chiseled the old plates off the tanks, spot-welded the new plates onto the tanks, and then used a can of white spray paint to paint over the new serial plate. He stated he was assisted at Friona in changing these serial plates by b6 **b**sociated b7C Growers, Hereford, Texas, who is presently employed by Associated Growers at Friona, Texas, who is now employed at Earth, Texas, and Associated Growers of Friona, Texas. He stated after changing these serial plates at Friona, he turned the old serial plates removed from the tanks over to and does not know what did with He advised the serial plates he personally these plates. removed from the tanks on the lot at Associated Growers at Hereford, Texas, were taken by him into the vault of Associated Growers and he personally set these on the floor of the vault. He advised the following Sunday, recalled, COLEMAN D. MC SPADDEN called him from Lubbock, Texas. at his home in Hereford, Texas, and informed b7C Associated Growers, was him that out of Hereford and he was unable to reach him He stated MC SPADDEN informed him that he wanted him change some more of the serial plates on the 1,000 gallon tanks. He stated he believes MC SPADDEN used the words, "We have some more not that work to do". He said MC SPADDEN would give him what he needed and told him that advised him that the serial numbers had to be on the tanks by noon on Monday, the following day. b6 He recalls he later contacted that b7C arrival back in Hereford, same afternoon, upon Texas, from Tucumcari, New Mexico. He stated that at MC SPADDEN's instructions, he told ____ to call MC SPADDEN in Lubbock, Texas. He advised that after

talked to MC SPADDEN on the telephone,

opened the vault door of Associated Growers and handed him about twelve plates to be installed on 1,000 gallon storage tanks. He stated in addition to this, he handed him a package containing about five or six serial plates which were marked for applicators. He advised these serial plates were wrapped in brown paper sacks and one package was marked applicators and the other was marked "tanks". He stated the applicator plates are smaller in size than the serial number plates installed on the 1,000 gallon capacity tanks.

	advised that he began working at approx-
	imately sundown charging the serial numbers on the tanks
	located in the lot at the Associated Growers in Hereford,
	Texas. He stated he worked the majority of Sunday night
	and finished the job at approximately 1:30 AM, Monday
į	morning He advised he was assisted in this operation by
ĺ	one Associated Growers.
	He stated he would hook the tanks and applicators on the
	back of a pickup and haul them around to the repair shop
	located at the rear of the offices of Associated Growers
	in Hereford. He stated that on Monday morning, upon re-
	turner to work, he turned the old serial plates into the
	vault of Associated Growers, Hereford. He stated he did
	not discuss these serial plates with anyone in the office
	but merely walked-into the wault and set them on the floor
	of the vault. He stated he believes that later that day, or
	possibly the next day, he saw a man come to the offices of
	Associated Growers and observed
	Associated Growers, show this individual the tanks
	located on the lot of Associated Growers. He stated he does
	not know who this man was or whether this man was a repre-
	sentative of a finance company. He stated that
	is presently employed by the Earth Fertilizer Company,
	Earth, Texas, and stated he should be able to furnish the
	identity of this individual.
	identity of this individual.
	He stated in about September, 1961,
-	Superior Manufacturing Company of Amarillo,
	Texas, arrived at the offices of Associated Growers at
	appreximately 9 AM. He stated that talked to
	of Associated Growers, and that
,	subsequently instructed to accompany
	subsequently instructed to accompany He stated that he had previously met
	I work to And A not A word a war and a fact

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at Dell City, Texas, when he had accompanied	b 6
there as Superior had repossessed some tanks, acid	b7C
tanks and applicators, from some individual in that town.	
He stated he traveled in the	
pickup truck owned by the Associated Growers to the Ford	. 1
Grain Company, located about 20 miles north of Hereford.	/
He stated at that company they contacted one	
Ford Grain. He stated thataccompanied	
them in the pickup and pointed out to them some 1,000	
gallon anhydrous ammonia tanks owned by Associated Growers.	
He stated that had in his possession a brace and bit	
and stated that would pry up the old serial plates	
located on the 1,000 gallon ammonia tanks, drill two holes	
in the old plate, and then rivet the new serial plate on	
top of the old plate. He stated that he then	
used a can of spray paint to paint the new serial plate	
white in order that it would match the color of the tank.	
He stated that on this particular occasion no serial	
plates were removed from tanks, but the new serial plates	
were merely riveted on top the old serial plates. He	
stated brought these new serial plates to Associated	
Growers when he drove there in his car and stated these	
serial plates were subsequently transferred to the pickup	
truck driven by He stated he estimates that some	
ten serial plates were changed from tanks located at the	
Friona, Texas, yard of Associated Growers, approximately	
ten plates were changed at Ford Grain Company plant and	
approximately six or eight serial plates were changed on	
applicators located at these two places.	
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He stated that he inquired ofas to why the	b7C
were being riveted on top the old plates, but	
merely informed him that if anyone tampered with the	
old plate it would be a serious offense and if anyone	
attempted to remove the riveted serial plate from the other	
plate, it would constitute an offense. He stated	
offered no further explanation as to why these new serial	
plates were being riveted on top the old plates. He	
advised that after assisting in changing	
these plates or riveting the new plates on top the old ones,	
they returned to Associated Growers offices in Hereford,	
Toyas and subsequently returned to Amarillo Texas	

advised that on Monday, March 26, 1962,
he was handed a letter from COLEMAN D. MC SPADDEN. He
stated this letter had not been mailed and bore no stamps
but was handed to him in person by
SPADDEN, ne stated re-
marked to him, told me to give this to you
personally and that you would know what to do". He stated
he opened this letter and it began with something to the
effect, you know what to do has
the plates at his home for tanks. He'll get them for you."
He advised he is unable to recall the exact words of the
rest of this letter, but stated he immediately recognized
it as being in the handwriting of COLEMAN D. MC SPADDEN.
He stated this letter was signed COLEMAN D. MC SPADDEN.
He advised the letter continued that he should start to work
on changing the serial plates immediately and that he should
use the serial numbers appearing on a small piece of paper
which accompanied the letter. He stated that the last
sentence of this letter instructed that he should burn the
letter as soon as he had read it. He advised he was not
quite sure as to what he was supposed to do or the different
tanks that he was supposed to change the serial plates on,
and that he contacted in the offices of
Associated Growers in Hereford, Texas, and tried to get
to read the letter and to tell him what he was
supposed to do. He stated stated, "I don't want to
know nothing about it. If he had wanted me to know he
would have told me and let me tell you." He stated
refused to read the letter and would not discuss the matter
with him.
He stated he then drove to the home of
Associated Growers, and let read the
letter from MC SPADDEN. He stated denied having the
plates and claimed that he had never had the plates in his
house or in his possession. He stated told him he had
not had anything to do with changing of plates on the tanks
owned by Associated Growers and that he would offer him no
advice concerning what he should do.
war and draway was him and and and a
He stated he then returned to the offices of

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He stated he then returned to the offices of Associated Growers and entered the vault. He stated in the vault located some serial plates and also removed a set of dies from the vault. He stated these dies were the same

in about September, 1961, dies previously used by had driven to Associated Growers to change the serial numbers on the tanks previously described. he took these blank, new serial plates of Superior Manufacturing Company to the shop of Associated Growers located in their yard at Hereford, Texas, and began stamping the serial numbers on these plates. He stated he knew he used the serial numbers described on the small piece of paper, typewritten, which had accompanied the letter from MC SPADDEN. He stated he does not recall the specific letters or numerals used on these serial plates. but does recall that each of the serial numbers began with the prefix "SE". He stated he recalls that there were some 210 numbers listed on the small piece of paper which accompanied MC SPADDEN's letter. He stated he believes there were some 75 serial numbers running in consecutive sequence and about 5 different groups or sequence of numbers were listed on the paper.

He stated after he began stamping the serial numbers on the Superior Manufacturing Company plates,

Associated Growers, entered the snop at Associated Growers. He then let read the letter from MC SPADDEN and asked him what he should do about complying with MC SPADDEN's request. He stated he explained to that he could not find the total of serial plates in order to stamp the new serial numbers on the plates and stated told him to just fix the serial numbers on the plates he had and let the rest go to hell". He stated after this discussion with he burned the letter from COLEMAN MC SPADDEN while standing in the shop of Associated Growers in Hereford.

He stated that after stamping the serial numbers on the plates, he started changing the serial numbers on 1,000 gallon capacity tanks located on the yard of Associated Growers in Hereford, Texas. He stated he would chisel off the old plates from these tanks and spot-weld new ones onto the tanks. He stated during the course of changing the serial numbers he ran into approximately 10 or 12 tanks which had the serial plates riveted onto a bracket which had been spot-welded onto the tank and stated on these particular serial plates, he pulled the old ones off and riveted the new plates onto the brackets. He stated after he changed

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the serial plates, he would use a can of white spray paint and paint over this new serial plate. He stated he definitely recalls some of the serial plates he removed from these tanks on March 26, 1962, were the same serial plates which he had placed on the tanks in the spring of 1961. He stated he also recalls that some of the serial plates he changed were the plates which had been installed on these tanks in September, 1961, by He stated he estimated he changed the serial plates on 1,000 gallon capacity field tanks at the following locations owned and controlled by Associated Growers:

14 at the yard of Associated Growers, Hereford, Texas;

18 at Associated Growers, Friona, Texas;

8 at Earth, Texas;

6 at Ray, a country elevator, located west of Friona, Texas;

2 at Farmers Corner;

1 at Ford Grain Company;

l at Wildorado, Texas.

stated that he continued changing these serial plates from March 26, 1962, until March 29, 1962. He stated he was changing these serial plates located at the Ray Station, just west of Friona, Texas, when he contacted an employee of Associated Growers at Ray Station. He stated this employee told him that COLEMAN MC SPADDEN, HAROLD ORR, RUEL ALEXANDER, and BILLIE SOL ESTES had been arrested by the FBI in connection with the execution of contracts on tanks that did not exist. He stated he immediately realized the seriousness of what he was doing and that he quit changing the serial plates. He stated he placed the new serial plates on which he had stamped the serial numbers furnished to him by MC SPADDEN, along with the old plates he had removed from

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the tanks, and the two sets of dies used in stamping the serial numbers onto the plates, into his automobile. He stated he kept these serial plates and the two sets of dies in his possession until the date of April 10, 1962, when he contacted LOWELL SHARP, Sheriff, Hereford, Texas. He stated Sheriff SHARP was not in the office at the time he drove in with the serial plates, but that he had previously discussed his possession of these plates with SHARP over the telephone. He stated he left these serial plates and the two sets of dies with

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He advised that he does not personally know BILLIE SOL ESTES and has never seen ESTES at the offices of Associated Growers at Hereford. He stated he has never seen HAROLD ORR or RUEL ALEXANDER at the offices of Associated Growers in Hereford, Texas. He stated he believes that was at Associated Growers on only one occasion.

stated he desires to point out that he did not know he was doing anything wrong in changing the serial numbers on the tanks supposedly owned by Associated Growers of Hereford. He stated that he merely changed the serial numbers on these tanks at the direct order and instructions of COLEMAN MC SPADDEN, owner and manager of Associated Growers. He repeated that he is able to identify the handwriting of COLEMAN MC SPADDEN and stated he is positive the letter handed to him by _______ on the morning of March 26, 1962, was that of COLEMAN D. MC SPADDEN.

Manufacturing Company as maintained in the office of LOWELL SHARP, Sheriff, Hereford, Texas, were exhibited to He identified 11 new serial plates of Superior Manufacturing Company which bore no serial numbers. He further identified 52 new serial numbers of Superior Manufacturing Company plates on which he identified the prefixes of SE 204100 through SE 20660 as being the serial plates that he stamped these serial numbers onto. He also identified 2 new serial plates on which a partial serial number of SE 251 and SE 2051 had been stamped on the plates. He personally identified each of the 65 new serial plates.

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a total of 26 used or old serial plates which bear serial numbers in proper sequence with tanks known to have been manufactured by Superior Manufacturing Company in Amarillo, These serial numbers range from 38832 SR to S-5874. The dates of manufacture of these tanks range from August, 1958, until January, 1962. He also identified a total of 19 used or old serial plates which bore serial numbers out of sequence with tanks actually known to have been manufactured by Superior Manufacturing Company. The serial numbers of these plates range from SE-15907 through SE-20647 and S-28073 through S-65183, and reflected that they were manufactured from August, 1960, through the year 1961, with no date of month listed. further identified 4 separate plates which were riveted on top of another plate. He identified these pairs of plates as being the had riveted plates removed from tanks on which the top plate onto the welded plate in September, 1961.

plates by placing the initial "J" on each plate. He also identified the two sets of dies which he had turned in to the Sheriff's Office, Hereford, Texas, on April 10, 1962, by placing his initials on the wooden box housing these dies.

FEDERAL BUREAU OF INVESTIGATION

				Date 4	/26/6	2	
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				was adv1			-
statement	and	that	anv	stateme	nt he	made	

did not have to make a s could be used against him in court. He was advised of his right to consult an attorney before making a statement. "He advised he has been employed by SUPERIOR MANUFACTURING COMPANY, 4110 North-He ad-East 8th Street, Amarillo, Texas, vised that SUPERIOR MANUFACTURING COMPANY retains what they call a tank book. He stated in this tank book is recorded in proper sequence the serial numbers of the tanks to be manufactured by SUPERIOR MANUFACTURING COMPANY. He stated that as each tank is finished by that company the dates of the different inspection performed on that tank is recorded opposite the serial number recorded in this tank book. He stated that this tank book also recites the different job number of each tank manufactured. He stated that the dates of these inspections will coincide with the dates of inspections as reflected on the data sheets and by the boiler inspector assigned to the plant by the AMERICAN SOCIETY OF MECHANICAL ENGINEERS. He stated that this tank book will reflect the different inspections of the legitimate tanks manufactured by SUPERIOR MANUFACTURING COMPANY.

He stated that he recalls that in about March, 1961, he was handed a scratch piece of paper, bearing the handwriting of HAROLD ORR. He stated that on this piece of paper, was instructions to prepare a series of serial plates for ORR. stated that this note cited that they should prepare the serial plates beginning with a certain number and running consecutive to another number. He stated that he does not recall the particular serial numbers to be recorded on these plates, but believes they started with the prefix SE-100. He stated that then the following serial numbers on the plates were in the 19,000 or the 20,000 digit numbers. He stated that he immediately recognized that these serial numbers, being recorded on these plates, were not for tanks manufactured by SUPERIOR MANUFACTURING COMPANY. He stated that he knew that the serial numbers placed on these plates were not recorded in the tank book of SUPERIOR MANUFACTURING He stated that he also knew that the tank book did not recite the inspection supposedly performed on the tanks bearing the serial numbers as reflected on ORR's note. He stated that in addition to this, the serial numbers reflected on these serial plates were excessive to the serial numbers of legitimate tanks being manufactured by SUPERIOR MANUFACTURING COMPANY and he

		DL-29 File # _EP-29	9-1096 9-351
on 4/19/62	Amarillo, Texas	Date dictated	4/26/62
OII	RAYMOND C ECKENRODE and		•
by Special Agent.	272	/ņlf	

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DL-29-1096 EP-29-351

immediately recognized that the prefix SE-100, did not appear on any of the tanks manufactured by SUPERIOR.

He stated that these plates had to be made up that night and that the actual work began at approximately 5 p.m. He stated he recalls that he prepared some of the plates, went home for dinner that night, then returned to the plant to finish up the processing of these plates. He stated that these serial numbers were stamped on the plates furnished to the plant and advised that the plates were identical to the plates reflecting the serial numbers of legitimate tanks manufactured by SUPERIOR. He stated that he was assisted in the preparation of these serial plates by He stated that SUPERIOR MANUFACTURING COMPANY and SUPERIOR. He stated that he
helieves that some 200 serial plates were prepared by himself,
on this one occasion and stated that he was
then instructed to place the serial plates in small bags. He
stated that he recalled that these serial plates were placed
in the bags and that the name of WHEELER FERTILIZER or just the
name WHEELER was placed on one bag. He stated he does not re-
call the other names placed on these bags and does not recall
whether one of the bags was assigned to McSPADDEN or ASSOCIATED
Choward on the page was assigned to metapholist of modelling
GROWERS OF HEREFORD, TEXAS. He stated he does not recall as
to whether one of the bags was marked for BILLIE SOL ESTES or
to the FARMERS COMPANY in Pecos, Texas. He advised that after
these serial plates were placed in the small bags, they were
placed in ffice and advised that he assumed that
then turned the serial plates over to HAROLD ORR. He re-
peated that these serial plates were prepared at night and
stated this is the only occasion which he has prepared serial
plates on tanks which he obviously knew were not manufactured
by SUPERIOR MANUFACTURING COMPANY.
MA MAN MENTAL CHARLES OF THE PARTY OF THE PA
He advised that on about March 29, 1962, HAROLD ORR,
President, SUPERIOR MANUFACTURING COMPANY and RUEL ALEXANDER,
Secretary-Treasurer of that firm were arrested. He stated after
Decretary-freasurer of that fifth were affected. He stated after
this arrest, he
accompanied him and
Texas.

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He stated that due to the fact that all of these people were employed by SUPERIOR MANUFACTURING COMPANY, and had knowledge of the fact that chattel mortgages were prepared for tanks that did not exist and that serial numbers had been prepared on tanks that did not exist, they consulted in an effort to gain his opinion as to what they should do. He stated that no one actually retained or paid him any fee. He stated at this conference admitted that they, on two occasions, had changed serial plates on tanks at the direct instructions of HAROLD ORR. He stated that neither went into great detail as to their actions in changing these serial plates and did not tell them as to where the tanks were located. He stated that is and stated that he is of the opinion that will assist in this investigation.

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FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

Date <u>April 30, 1962</u>

	advised on April
25, 1962, he is presentl the SUPERIOR MANUFACTURI	NG COMPANY, Amarillo, Texas (SUPERIOR).
stated h	ne did not desire to submit to interview
regarding his employment	with SUPERIOR pending contact with
his attornev concerning	the advisability of doing so. He
identified has be sent	Texas,
and requested he be cont he would advise of	acted on April 27, 1962, at which time decision.
On April 27, 1	962 was recontacted at his
to discuss the requested	o date ne had not had an opportunity
as the latter was out of	the city and not available for
consultation. sta	ated he would notify Agents of his
decision in this matter	on April 30, 1962.
Two comi	in contacted on April 30, 1962, at
which time he advised he	had discussed the propriety of inter-
view with	who had indicated no objection to
the planned interview pr	covided he, was present during
the interview. wa	as tactfully informed an interview under
be conducted.	desirable and, therefore, would not
se conducted:	
•	•
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	DI 20 1006
	DL 29-1096 File #
4/05 07 00/00	**** *** *** *** *** *** *** *** *** *
4/25,27,30/62, Amarill	Lo, Texas Date dictated 4/30/62
	& RAYMOND C ECKENRODE/wac
/ Special AgentS	& KAI MOND & ECKENKODE, WAC

FD-302 (Rev. 3-3-59)"

FEDERAL BUREAU OF INVESTIGATION

	- 10 /00	4.
Date	5/2/62	<u> </u>

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·	advised based on the
advice of his	Texas,
as well as counsel for SUPERIOR MANUFACTURIN	G COMPANY, he did
not desire to submit to interview concerning	his employment with
SUPERIOR MANUFACTURING COMPANY, or any matte	rs upon which he
might be able to comment in connection with,	the current investi-
gation. In declining interview sta	ted he did not feel
he was personally involved in any criminal a	ctivity, but that
his declination was based on the fact that h	e considered to dis-
play some lovalty to his employer.	

on 4/27/62 Amarillo, Texas Date dictated 4/29/62 by Special Agent /nlf 276 b66 b7c

FD-302 (Rev. 3-3-59)

FEDERAL BUREAU OF INVESTIGATION

	Date5/8/62	
	advised he is currently by Superior Manufacturing Company, (Superior), Amari.	y 110,
exas, [•
its affa attorne of subm	stated prior to submitting to interview con- his employment with Superior and his knowledge regards irs and activities he desired to consult with his , identified as concerning the propries tting to such interview. It was mutually agreed with he would consult with and thereafter meet	ing
th ln	erviewing agents at the Amarillo Resident Agency on ing of May 1, 1962, at which time he would advise as	
to the	ecision reached with respect to <u>interview</u> . It is	
oted t	is appointment was not kept by	
telenho	On May 2, 1962, contacted SA ECKENRODE by e at the Amarillo Resident Agency, at which time he	
stated	e would decline the requested interview, claiming	
such ac	ion was being taken on the	
	t ·	•
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	<u>.</u>	
	DL 29-1096	
	File # EP 29-351	
4/29:5/	2/62 atAmarillo, Texas Date dictated5/7/62	
9 000	RAYMOND C ECKENBODE and jh 277	
	s jn 211	

FEDERAL BUREAU OF INVESTIGATION

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5/3/62
Date
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LOWELL A. SHARP, Sherliff, Deaf Smith County,
Hereford Texas advised that on about April 10, 1962,
Associated Growers of Hereford,
Texas, turned over to him some 110 serial plates of the
Superior Manufacturing Company. SHARP advised that
turned these serial plates, along with two sets of
dies, to his He advised
had informed him that on at least two different occasions
COLEMAN D. MC SPADDEN, owner, Associated Growers of Hereford,
had instructed to change the serial numbers on the
ammonia fertilizer tanks owned by Associated Growers. He
stated informed him that he had used the two sets
of dies in order to stamp the new serial numbers on the
serial plates furnished to him by MC SPADDEN. He stated he
has the serial plates and the two sets of dies in his
possession since April 10, 1962, and upon counting these
serial plates in the presence of SAsECKENRODE,
he determined there was a total of eleven new plates bearing
no serial numbers. It was determined that 54 serial plates
which had not been painted and appeared to be new bore serial
numbers, for a total of 65 new serial plates. It was deter-
mined that a total of 53 used or old serial plates which had
been painted or were badly rusted was located in the box
which SHARP identified as being turned in to his secretary
by

	_ AF - INI			
On -	4/27/62	Hereford, Texas	EP 29-351 DL 29-1096	
by _	SAs RAYMOND C	ECKENRODE and	278 Date dictated <u>4/30/62</u>	b6
		recommendations nor conclusions of are not to be distributed outside y	of the FBI. It is the property of the FBI and is loaned our agency.	b7 to

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VIII. GENERAL LEASING OF FT. WAYNE, INC., FT. WAYNE, INDIANA

					Page	
1.		•	•	•	280	b6 b7С

FD-302 (Rev. 12-20-57)

FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

Date 4/11/62

of Fort Wayne, Incorporated, 317 US Highway 30 West, New	b'
General Leasing of Fort Wayne is the parent company of Leasing, Incorporated. Its business is that of providing financing for purchase of all kinds of equipment and real estate through a lease arrangement and as such acts as a broker or agent. It also acts as an agent or broker in arranging for straight financing in which no lease agreements are involved. Through the conduct of business, they began doing business with customers of the Parkersburg Aetna Corporation, Parkersburg, West Virginia, steel fabricators. One such person was wade Contracting Company, Altus, Oklahoma. Part of business is that of erecting grain storage facilities which are manufactured by the Parkersburg Aetna Corporation. Through he met BILLIE SOL ESTES for whom was erecting grain storage facilities. In a meeting with and ESTES, ESTES stated he would give one million dollars worth of business in the erection of grain	b b b
storage facilities for him and in turn wanted one million dollars worth of financing for the purchase of anhydrous ammonia tanks, which were to be manufactured by the Superior Manufacturing Company, Amarillo, Texas.	
General Leasing entered into an agreement with the Walter E. Heller and Company, Chicago, Illinois, whereby Heller and Company would purchase the contracts obtained by General Leasing through the conduct of its business. The arrangement with Heller and Company was not made for the purpose of doing business exclusively with ESTES, and, in fact, the first transaction, which was started in March, 1961, involved Wade Contracting,	
customer, Parkersburg Aetna Corporation, and did not involve ESTES.	b b
File # EP 29-351 IP 87-9632	
4/10/62 at Fort Wayne, Indiana Date dictated 4/10/62	
Special Agent	b b

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IP 87-9632

The first agreement with Heller and Company was made under the name of Leasing, Incorporated. It was later re-written under the name of General Leasing of Fort Wayne, Incorporated, at which time General Leasing assumed all obligations, contracts and agreements of Leasing, Incorporated, as originally made.

All contracts worked up by General Leasing for the purchase or lease of the ammonia tanks were purchased by Heller and Company. All of the tanks were manufactured by the Superior Manufacturing Company, Amarillo, Texas. General Leasing has not done any business with Lubbock Machine and Supply, Lubbock, Texas, manufacturers of grain storage facilities and ammonia tanks.

Most of the business referred to Heller and Company, in connection with the ammonia tanks was under a lease agreement but some of it was straight financing. He recalls straight financing was involved in the purchase of ammonia tanks by Texas and members of

The amount involved was one million dollars and the equipment purchased, which was manufactured by Superior Manufacturing Company, was leased to ESTES by these persons. In the transactions involving the lease agreements, ESTES was subleasing the ammonia tanks. This was known by General Leasing and Heller and Company.

Contracts purchased by Heller and Company through General Leasing did not involve any direct financing with ESTES. Credit applications and financial statements were forwarded to General Leasing by both ESTES and the Superior Manufacturing Company.

When received they were forwarded to Heller and Company, who made the necessary credit checks and either granted or denied the loan. If approved by Heller and Company, General Leasing would then forward leases to the original contributor who would have them executed by the customer. The original contributor would also have the

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delivery and installation papers executed by the customer and these documents would be returned to General Leasing.

General Leasing then filed a chattel mortgage against the equipment in the county of the customer's residence. General Leasing assigned the lease to Heller and Company and then forwarded the lease and all other documents to Heller and Company.

The money involved was then sent by Heller and Company to Superior Manufacturing Company. Heller and Company would also forward a commission to General Leasing as the agent or broker.

He has made several trips to Texas and has had conferences with officials of Heller and Company. He is of the opinion the notarized signatures appearing on the contracts and other documents handled by General Leasing are genuine, and that Heller and Associates will have recourse against the persons who purchased the ammonia tanks under a lease agreement from Superior Manufacturing Company.

It appears to him fraud may be involved in some transactions in that possibly ESTES obtained double and triple financing without the knowledge of the commercial lenders.

From what he has heard, he believes it is possible many of the tanks were not built. If this is true, the persons who executed the delivery and installation certificates did so without having received the tanks, doing so because of the sub-leasing arrangements with ESTES.

He is aware of the financial standing of these persons, some of whom are millionaires, and believes they were misled by ESTES as they were primarily interested in the funds they received through participating in the transactions.

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IX. TANK PRODUCTION AND EXISTENCE OF SAME

1.	Employers Casualty	Page
۲۰[Company, Dallas, Texas	284
2.	Employers Casualty Company,	
	Texas	286
3.	Employers Casualty Co., Dallas, Texas	288
4.	, Ocean Accident and Guarantee Corporation, Los Angeles, California	290
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6.	Production records of Lubbock Machine and Supply Company, Lubbock, Texas	293
7.	Texas .	294
8.	Supervising Engineer, Commercial Union-North British Group,	
	Lubbock, Texas	296
9.	British Group, Lubbock, Texas	297
10.	Inspector of lot of Lester-Stone Co., Plainville, Texas	298

	Date <u>April 10, 19</u>	62
		• • •
1.	Engineering Department	ent.
×5)	Employers Casualty Company (Employers), Suite 906, 423 Sou	
W	Akard, advised that company held contracts with the Superior	
	Manufacturing Company, Inc. (Superior), Amarillo, Texas, i	
	the inclusive period September 14, 1959, through October 9	
,	1960. under the terms of which Employers provided inspection	n On
	service on pressure vessels manufactured by Superior.	-
	perating on brespare access menuracentals of person.	**
	In connection with the above contracts	
	explained many states have laws which require boiler press	ure
	vessel manufacturers to construct said vessels in conforma	
	with the code and specifications established for same by t	
	American Society of Mechanical Engineers (ASME). He state	
	Texas is one of several states which does not have such a	
	law, but noted a majority of Texas pressure vessel manufac	turere
	adopt the ASME standards in the production of their produc	
	The principal reason for this is that most manufacturers s	
	their products outside the State of Texas.	011
	cherr products outside the space of least.	
	According to the aforementioned state law	a
	provide such inspections must be made by independent compa	
	and/or municipal employees. He noted in view of the safety	
	factor required by the very nature of the vessels the laws	
	prohibit manufacturers from using employees of their own in	
	these inspections, the purpose being to avoid any possible	
	laxity in the inspections. Since mest manufacturers insure	
	the vessels manufactured with various licensed insurance	
	companies the state laws grant authority for the insurance	
	companies to employ qualified licensed inspectors to perfo	
	these inspections. In keeping with this Employers retain	
	qualified inspectors and assign them to manufacturers' pla	nts
	under a contract arrangement.	
	ELECT & CONTROL WILLIAM STREET	
	stated on or about September 14, 1959, a	' .
	contract was entered between Employers and Superior whereb	V
	Employers assigned one of their licensed inspectors to	•
	the Superior plant in that it was the desire of Superior	
	that their vessels be certified as having been manufa	ctured
	in accordance with the ASME code. He said at the time thi	
	contract was entered one ROBERT E. CLEMENTS was president	
	and principal stockholder of Caperior. As evidenced by	\
	file in his possession, stated this contract was	
	terminated by mutual agreement on or about April 15, 1960,	
	File # DL 29-1096	
	File # DL 23#1050	, , , , , , , , , , , , , , , , , , ,
	4-9-62 Dallas, Texas Ep 29-351 4-10-	62
	at	

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DL 29-1096

when CLEMENTS disposed of his interest in Superior. At this time a new contract was entered with the succeeding management, the term of which was to extend through April 15, 1961. October 9, 1960, the contract was terminated by Superior, the reason given being that Superior menagement was not satisfied with Employers' inspector, one claiming the latter was too technical and rigid in his inspection requirements. stated during the period September 14, 1959, 1960, their inspector assigned to Superior was one and that he was succeeded in this assignment on or amout April 18, 1960, by who conducted inspection until the contract was terminated October 9, 1960. According to voluntarily terminated his employment with Employers and was last known to be employed with Marvland Casualty Company, El Paso, Texas. continues in the employ of the com stated in the performance of the inspections as a matter of practice, retained both records for their own personal files as to the number of inspections made each day, as well as the capacity, type and serial number of every vessel inspected by them during the period of their assignment at Superior. He said these records were usually in the form of daily handwritten logs, as well as perpetual inspector's test records. In addition to these records, each would retain a copy of the data sheet prepared by Superior on each tank and on which affix their respective signatures, certifying to the inspection of same.

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On ____

FEDERAL BUREAU OF INVESTIGATION

-	Date <u>May</u> 2, 1962
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Texas, telephone number employed at the Maryland Casualty Control Texas, was interviewed in the El Partime he stated that from	so FBI Office at which
Company of Dallas, Texas, at the Suj	
Company, Incorporated, Amarillo, Teat the time he assumed this position owned and operated by a Mr. ROBERT I stated that he was not employed in a but was strictly rendering his serve contract existing between Superior a Company of Dallas, Texas.	n, Superior was then L. CLEMENTS any fashion by Superior, ices pursuant to a
He advised that	
In lact, Superior	American e stated that after
Super	rior Company from He
advised that he	
4/26/62 at El Paso, Texas	File #EP 29=351
SA RICHARD H. PICKEN/bg 200	

EP 29-351

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brought with him at the time of this interview, a set of books containing numerous documents, among which were manufacturers' data sheets reflecting the specifications, descriptions, and serial numbers for all tanks built by Superior while he was there. stated that he would retain these books and would make same available at any time in the future should they be needed for evidentiary purposes.

He stated that he could identify every anhydrous ammonia tank built by Superior while he was there, even if the serial numbers had been later altered or discarded.

He advised that he is unable to personally recall at this time the exact number of tanks inspected by him, broken down into capacity categories, but he did advise that he recalls that during his tenure with Superior, he inspected 311 one-thousand-gallon capacity anhydrous ammonia tanks. He made an estimate that about 2,000 anhydrous ammonia tanks were produced by Superior while he was there.

He stated that he has never inspected any tanks manufactured by the Lubbock Machine Supply Company of Lubbock, Texas.

Date April 10, 1962

2 4 1 1		Employe	rs Casualer Company (Employers),	
advised h		man ina /a	Superior	
nandlact. Oursuant	to a co	upany, Inc., (Si itract existing	Superior), Amarillo, Texas, between the latter and Employers.	
te statec	l record	5 in his posses:	sion reflect he was assigned	
to this d	luty dur	ing the inclusi	ve peri od	
the		LUA narad ha w	lowing	
"" —				
CLEMENTS, 1960., CLE	but the MENTS so	n owned and oper at shortly there	me he assumed the position rated by a Mr. ROBERT E. eafter, on or about May 15, t in the company to COLEMAN L ALEXANDER.	
			7	,
y Superi	A)50 T ~~	affording the a		
y paper 1	<u> </u>	allorump me	rantrasi	
		Cunomi on on	its dealers He noted	
		Isunerior or	its dealers He noted	
uperior	S I			,
		uperior		
	<u>}-</u>	Charres		
			File # <u>DL 29-1096</u>	
-9-62	Dalla	s, Texas	- EP 29-351 Date dictated	
	ar	C. ECKENRODE/ma	Date dictated	

DL 29-1096

referred to his records and advised during the period of his assignment, and while Superior was operated by ROBERT E. CLEMENTS, (approximately April 18, 1960 -May 15, 1960), the tanks produced and inspected consisted of the inclusive serial number sequence 42637 through 42838. Under the succeeding management the serial number sequence was changed in order to distinguish vessels and/or tanks by the prior management and that being made by the built new management. stated his records indicate the first tank produced was assigned the serial number S100 and that at the time Superior terminated their contact with Employers this complete sequence had reached the number S1216. pointed out both serial number sequences, above identified, embraced all types of tanks manufactured, such as NH3 tanks (all capacities), propane, butane, air receivers, and various oil refinery equipment. emphasized no separate serial number series was used for the different types of vessels made. As a matter of information[advised in addition to the serial number designations assigned to the tanks, each tank also contained numbers on either the inside or outside of the tank shells, which had been forged on them when milled. said in the daily logs prepared by him he recorded both the serial number and the aforementioned shell numbers on each tank inspected.

Through the cooperation of the tank inspection records prepared by him were reproduced as a matter of information and assistance to this investigation.

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Date	April	11,	1962

_Date dictated <u>4/11/62</u>

Date _

T+9 embTo2	California, was contacted at his place of ment, the Ocean Accident and Guarantee Corporation, 610 South Shatto Place, Los Angeles, California. has been employed by this company for several years He is
third in ord explain the Su	He explained that all manufacturers of pressure canks employ a company such as his as a disinterested party to inspect the tanks at the time they are built der that the tanks may be insured in the future. He ined that his company did not have any insurance with perior Manufacturing Company of Amarillo, Texas but een hired by them for inspection purposes alone.
six mo	of tanks built at unerior Manufacturing Company, Amarillo, Texas, from with the exception of a onth period from when exed in the field for the Ocean Company. During this maryland Casualty Company,
Guarar Super: Septer period	says that the Ocean Accident and ntee Corporation has done all the inspections for for the last several years except for the period fromber, 1959, until about September, 1960. During this Superior gave a contract to the Employers Casualty by of Dallas, Texas.
tank 1 conductor the	says that his company should have a nent record of the inspection of every pressure type ouilt during the time they were employed by Superior to et these inspections. These records include the size tank, the date it was inspected, the serial number etank, usually for whom it was built, by whom it was

and WOODROW R.

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LA 87-15971 LLB:WRM/tgr

stated that the original of these records should be in the office of Manhatten Insurance Building, 1312 Tyler Street, Amarillo, Texas. A copy of all these is also maintained at the office of					
is sure that the Employers Casualty Company of					
Dallas maintained the same type records.					
Darrag manifestica one same sype recorder.					
advised that the Superior Company built					
about 1200 pressure type tanks per year during his stay					
there. He believes the serial numbers were in the 38000 and					
39000 series. He advised that Superior was owned at that					
time by a Mr. R. E. CLEMENTS, CLEMENTS was looking for a					
buyer but believes that was about three times what it should have been. does not know					
times what it should have been. does not know					
BILLIE SOL ESTES or COLEMAN MC SPADDEN. He did hear					
ESTES! name mentioned before he left Amarillo as a possible					
purchaser of Superior. knew HAROLD ORR as a					
salesman at Superior during the entire time he,					
was there. He says that ORR was by far the most productive					
salesman at the plant. says that RUEL ALEXANDER was					
brought into Superior in about 1957 or 1958 as an office					
manager to help ED CLEMENT who later retired.					
advised that he knew nothing of the					
details regarding the financial arrangements by Superior					
with the purchase of tanks or the sales agreements.					

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FEDERAL BUREAU OF INVESTIGATION

Date	
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Commercial Union North British Group, of Which Ocean	ь7с
Accident and Guarantee Corporation is a part, advised the latter holds contracts for vessel (tank) inspections with the Superior Manufacturing Company (Superior), Amarillo, Texas. stated his records indicated contracts were held with Superior for a considerable period, including the period January 1, 1959 through September 11, 1959, and again for the period October 8, 1960, through March 23, 1962. He noted	•
vessel inspection contracts for the period from approximately September 11, 1959 through October 8, 1960, was held with Superior by Employers Casualty Company.	
According to Inspectors Test Records in his possession indicate during the periods above mentioned, vessel inspections were made by Ocean Accident and Guarantee Cor-	b6 b7C
and himself. He stated these records/which will be retarned indefinitely by him, were prepared by the inspectors at the time the vessels were test inspected by the above inspectors at Superior's plant, and same contain entries to reflect date of inspection; vessel and/or tank serial number signed by Superior; various test data; type and capacity of the vessel inspected; and in some instances, the initials of the inspector making the inspection. added his records do not reflect the identity of the customer to whom the particular tanks involved were sold.	
These records as reviewed by interviewing agents with disclosed in period January 1, 1959 through September 11; 1959, the serial numbers assigned to the tanks by Superior consisted of the inclusive sequence 39548 through and including 41295. During the period October 8, 1960 through March 23, 1962, the serial number designations by Superior consisted of the inclusive sequence S1210 through and including S6490.	ь6 ь7с
reiterated the fact such records will be retained in his possession and that any subpoena issued for same should be directed to Texas (office), or in care of his residence, Texas.	ь6 b7С
. File # DL 29-1096	
on	-
by Special Agents. & RAYMOND C. ECKENRODE /wvm	ь6 ь7с

FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

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•	Date <u>April 11, 1962</u>
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The production records of the Lu	thhook Machine and
Supply Company, Inc., 400 North Avenue H,	
workpapers prepared under the supervision	
It was determined from the inve	or ba
ру	that the serial
numbers 49274, beginning November, 1959, a	
52364 in February, 1962, were applied to t	the 1.000 gallon
capacity ammonia tanks manufactured by the	
and Supply Company.	
These tanks were manufactured in	the following numbers:
November and December, 1959 - To	etal 15
Year 1960	74
Year 1961	160
January and February, 1962	61
Total	310
* * * * * * * * * * * * * * * * * * *	
1,000 gallon capacity ammonia tanks sold be November 1, 1959, to March 1, 1962. These but the breakdown of the number of tanks seemputed due to the fact no daily sales lo dates of sales were recorded on the invent the serial number of the tanks manufacture were prepared reflecting this information.	e sales total 248 tanks, sold each month was not egs were retained but cory cards opposite ed. Detailed workpapers
on 4/9/62 at Lubbock, Texas	DL 29-1096 File #EP 29-351 Date dictated4/11/62
by Special Agent	
the same of the sa	

•	Date 4/11/62
	Evans. Pharr. Trout and
Jones, 13uz wreat Plains wife Bul	Iding,
T. A. ROGERS, President, Lubbock	Machine and Supply Company
(LM&S), and stated he has known R	OGERS for several years. He
advised that in checking the loan SOL ESTES alleged sales of anhydro	Illes concerning the blidle
farmers in West Texas, he has con-	cluded that ROGERS did every-
thing possible in an effort to ins	sure that each and every loan
was handled in an honest and fort	right manner. He stated
that in each instance ROGERS requi	ired a sales contract between
Superior Manufacturing C ompany as	ad BILLIE SOL ESTES, a sales
contract between ESTES and the inc purchasing the tank, and a detaile	dividual farmer allegedly
of the tanks being sold. He state	eu list of serial numbers and Rockes has informad him an
all of his transactions in connect	tion with the handling of
these, \$5,000,000 in loans was ful	rnished to him by BILLIE SOL
ESTES, and that ROGERS did not con	stact any of the purchasers
of these tanks. He stated he desi	ires to make available copies
of correspondence between BIIII S	ol Estes Enterprises of
Pecos, Texas, and LM&S, and furnis	SUCCE PROTOSTRIS OF SOME SIX
ESTES. He advised he also desires	to furnish Phatastat of
the guaranty agreement signed by I	BILLIE SOL ESTES insuring
the Lucs against any loss in the	vent the farmer purchasing
the tanks would default in his par	ments. He stated in each
instance ROGERS has obtained such	signed agreement from ESTES.
He stated the famula Photostat he one dated October	desired to lurnish was on or 5, 1960, in which ESTES
signed the guaranty agreement insi	ring the LMAS against any
possible loss in the event	defaulted on any of the
\$29,250.00 owed to the First Accer	otance Corporation of
Minneapolis, Minnesota.	•
	5. The AS ASSESSMENT AND
operate with the FBI in any and al	ructed ROGERS to fully co-
ESTES transactions and stated tha	at if it is desired be
will have ROGERS photostat and fur	mish copies of individual
sales contract on each loan handle	ed by ROGERS for ESTES, the
sales contract between Superior M	mytocturing Company and
ESTES, as well as sales contract t	Penoen ISTES and the indi-
vidual farmer. He stated, in addi	rion to this, he will gladly
	EP 29-351
. 1	File # DL 29-1096
on 4/9/62 of Lubbock, Texas	4/20/00
on 4/9/62 at Lubbock, Texas	Date dictated <u>4/10/62</u>
by Special Agent	/rmb 254

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b6 b7C have ROGERS furnish Photostats of any and all checks disbursed by LM&S in connection with the loans handled for ESTES.

He stated he desires to relate that the reason that BILLIE SOL ESTES was able to induce ROGERS into handling the \$5,000,000 in loans is because ROGERS is an active member of the Church of Christ and ESTES "played"upon his membership in the same church to "sucker" ROGERS into his "con game". He stated that ROGERS fully realizes his financial obligations as endorser of each and every note handled for ESTES and stated ROGERS is doing everything humanly possible to assist the finance companies and the individual farmers in minimizing the losses that they, along with ROGERS, will suffer as a result of ESTES' actions.

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He stated that he nersonally feels that
Universal C.I.T. Finance
Company, is involved in the perpetration of this fraud. He
stated that he obtained his information from conferences held
with ROGERS and the numerous finance companies victimized by
ESTES and MC SPADDEN and stated in most instances played
a prominent part in inducing the finance companies and/or
the businesses involved to begin handling the paper for ESTES.
He stated, in addition to this, when fined by C I.T. in
immediately became
Superior Manufacturing Company of Amarillo, Texas. He stated
he has no proof that accepted anything for handling the
loans advanced by ESTES, but stated that since he was so
insistent that ROGERS handle some of ESTES paper, he believes
that was involved in ESTES' scheme to defraud the people
of West Texas.

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,	4/11/62 Date
	1, -
	Commercial
ONT TO 11 - 240	42-A - 34th Street, advised that he
was the manufactured by Lubbock Machi	for the pressure vessels
	uary 8. 1962. He stated that he
was	American Society of
Mechanical Ungineers. He adv	ised that since January 8, 1962, the tanks manufactured
by LM&S.	

He stated that he keeps a daily diary showing the serial numbers of the tanks manufactured by work orders. He stated that due to the fact that the tanks are built on more than one assembly line, the serial numbers of these tanks do not run in consecutive order. He advised he has spent some hours on his diary and from it believes he can determine LM&S manufactured the following number of 1,000 gallon anhydrous ammonia tanks: November and December, 1959 - 20; the year 1960 - 183; the year 1961 - 175.

He stated that his diary reflects the first tank inspected in November, 1959 bore serial number 49246. stated his diary continues to record the serial numbers up through and <u>Including January</u> 8, 1962. He stated the diary maintained by will reflect the ending serial numbers manufactured by LM&S. He stated he desires to point out his records are not accurate in that he inspects some of the tanks believing that they are manufactured for anhydrous ammonia which the company later converts to the storage of liquefied" petroleum gases. He stated he had checked the production records of the LM&S and believes their records show that they have manufactured 20 less tanks than his diary. He stated. he has found that the employees and officers of LM&S are completely reliable and trustworthy and that they have maintained acequate production records showing manufacture of these tanks.

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			EP 29-351 File # DL 29-1096
4/9/62	at	Lubbock, Texa	Date dictated 4/10/62
by Special Agent			/rmb 200
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FEDERAL BUREAU OF INVESTIGATION

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4/11/62

Commercial Union-North
British Group. 4142-A - 34th Street, advised that he is the
for the pressure vessels manu-
factured by Lubbock Machine and Supply Company (LM&S). He
stated he was assigned to this plant on January 8, 1962, and
is presently working in this canacity. He advised he is
these pressure tanks by
the American Dociety of Mechanical Engineers. He stated his
diary reflects that beginning in January, 1962, LM&S has
manufactured 1,000 gallon anhydrous ammonia tanks beginning
with serial number 52231 and that the last tank manufactured
by them bears the serial number 52370. He stated this was
as of March 1, 1962. He stated that of the 1,000 gallon
anhydrous ammonia tanks, 151 were started from January 1, 1962,
until March 1, 1962, and 69 have been completed and inspected.

He stated he could produce his diary, if called upon to do so, and testify as to the number of tanks produced during the two months of 1962.

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	5/3/62	
Date	(a) (b) (c)	

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On A_k 11 25, 1962, a total of eight 1,000 gallon capacity tanks manufactured by the SUPERIOR MANUFACTURING COMPANY of Amarillo, Texas, were inspected on the lot of the LESTER - STONE FERTILIZER COMPANY, 1303 Date Street Plainview, Texas, This

LESTER + STONE FERTILIZER COMPANY, who desired to point out the presence of these tanks on his lot. These tanks bear serial plates of the SUPERIOR MANUFACTURING COMPANY, Amarillo, Texas, and it is noted that these serial plates are mounted to a bracket, which has been spot welded to the tanks. The plate is held on to the bracket in the form of two rivets. These tanks bore the following serial numbers:

S-64928, S-64930, S-64931, S-64932, S-64934, S-64939, S-64940, S-64944.

It is noted that pointed these tanks out as being part of the shipment received by his firm on November 28, 1961, and he stated that these tanks have never been used.

on 4/25/62 or Plainview, Texas Date dictated 4/29/62

by Special Agent 288 b6
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EP 29-351

Х.	INTERVIEWS	WITH F	ORMER	FINANCE	COMPANY	PERSONNEL	
	• . •		•				
						Page	
1.	JAMES A. To						
2.		·			as, forme		b6 b70
	with CIT		Su	perior N	Manufacti (See	ring Page 183)	

Date <u>April 16, 1962</u>

JAMES AUSTIN TURRIFF, JR., 3521 Drexel Drive, presently self-employed as a financial broker with offices at his residence, was advised he did not have to submit to interview or furnish a statement; that any statement, either oral or written, made could be used against him in a court of law; and that he was entitled to consult with an attorney at any time, either prior or during interview.

TURRIFF stated he was previously employed for a period of approximately 15 years by the CIT Corporation, Home Offices, New York, New York, during which period, and specifically from May, 1956, through July 25, 1961, he held a position of Assistant Vice President and Division Head of the CIT office at Dallas, Texas.

TURRIFF related in about May, 1961, he received a telephone call from the CIT home office in New York, stating two officials of the corporation were proceeding from New York to Dallas, Texas, for the purpose of examining and inquiring into certain industrial paper purchased by CIT through the Dallas TURRIFF said no further explanation was offered in this call concerning the exact nature or purpose of the action intended by the home office. He said within a day or two, these two officials appeared at Dallas and proceeded to inform him of information brought to the attention of the home office by b6 b7C CIT Dallas Office, which it was felt was or sufficient concern to warrant a complete investigation. b₆ originated It was stated the information conveyed by b7C CIT, Dallas Office. with concerning a meeting had reported to In substance, Had approximately two weeks prior thereto with officials of Superior Manufacturing Company, Inc., Amarillo. Texas. (Superior). at the request of either In April, Lubbock, Texas, or Superior management, CIT flew to Amarillo, Texas, after working hours and there met with HAROLD ORR, Vice President, and RUEL ALEXANDER, Secretary-Treasurer, purportedly, during this meeting both of Superior, as well as that he was being too strict ORR and ALEXANDER complained to in approving credit on various sales contracts Superior had Reportedly in making such comments, offered for discount with CIT.

> DL 29-1096 File # EP 29-351

on	4/11/62	at	Dallas, Texas		Date	dictated	4/11/	02
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by Special Agents RAYMOND C. ECKENRODE/pm

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Superior officials complimented and expressed confidence in his ability as a credit man. They then proceeded to extend to an offer of employment with Superior, indicating their intent in expand their own credit department, and desired to employ in an executive capacity to head up this department. They proposed to pay a salary approximating \$400.00 more than he was then receiving per month from CIT. said he understood supposedly made no commitment on the offer, but did indicate he would take same under advisement.	b6 b7С
Following the meeting, either ORR or ALEXANDER handed an envelope containing \$400.00 in cash, stating this was the amount of money he could expect to receive over and above what he was now receiving from CIT if he was inclined to accept their offer. They insisted keep the money on the premise that same was furnished to him in order to supplement his salary pending his acceptance of the job, which they were confident he would do.	b6 b7С
During the course of this same meeting, a statement allegedly was made by either ORR or ALEXANDER to to the effect, "How do you think that TURRIFF would drive a T-Bird?", or words to that effect. This statement was neither elaborated on nor explained to	ь6 b7С
At the conclusion of the meeting, returned the same evening to Dallas with the \$400.00 above mentioned in his possession and took no action concerning the meeting for approximately two weeks.	
In conveying the story to TURRIFF, CIT officials indicated reportedly was fearful at first to report the incident or receipt of the money to CIT management, but later concluded this should be done. As a result, he went directly to rather than TURRIFF and made a complete disclosure of the matter. TURRIFF pointed out no report concerning this was offered or otherwise made to him by but rather the matter was taken directly to the fice by Immediately after his disclosure to turned over the \$400.00 to the latter, and this money was immediately thereafter returned to Superior under cover of a letter from CIT Legal Counsel.	b6 b7С

TURRIFF related according to the CIT, New York, officials, the fact this incident had occurred raised a grave question in the mind of the home office as to the intent and motive of Superior and caused some concern also as to the veracity and validity of the credit instruments purchased by CIT from Superior. As a consequence, these officials stated it was decided an immediate investigation should be instituted by the company in an effort to verify the paper and collateral securing same held by CIT from Superior.

TURRIFF stated thereafter a number of investigators were sent to west Texas to contact the individual farmers whose names appeared on sales contracts acquired from Superior, which principally covered the alleged purchase by these individuals of anhydrous ammonia tanks. As a result of this investigation, TURRIFF said he later learned in many respects the collateral was not in the possession of the farmers, but rather had supposedly been leased by them following purchase to BILLIE SOL ESTES. Efforts to locate the tanks and physically verify their existence were generally unproductive. He said although this created some concernin the minds of CIT management, they, nevertheless, were reluctant to challenge the integrity of the farmers since in all instances required monthly payments were being made against their account and all were current. regard, TURRIFF pointed out the great majority of these contracts had been acquired by CIT from Superior a without recourse assignments.

According to TURRIFF, as a direct result of this investigation principally because of the question raised as to the possible authenticity of the sales contracts originating with Superior, CIT discontinued their discount arrangement with the latter and no further paper was purchased by the company from Superior.

TURRIFF stated this entire investigation was carried on over a period of about two months and at no time was he furnished any details concerning the progress of same by CIT management. As a result, he said he came to an obvious conclusion that perhaps his superiors considered him as being suspect in connection with the acquisition of the paper, which TURRIFF stated was absolutely without basis. Because of this innuendo, at least in his mind, TURRIFF claimed he voluntarily tendered his resignation to the company effective July 25, 1961.

Concerning	TURRIFF stated he had been b
in the employ of CIT	
	Texas,
Texas,	Texas
solicit various commercial and industry	ection with the accounts
CIT during the time this company was CLEMENTS. Following sale of Superior McSPADDEN, WARDLD ORR and RUEL ALEXANT tinued by with this new management was a star of the company was company was a star of the company was company.	by CLEMENTS to COLEMAN D. DER, the account was con- nt. TURRIFF related
on the ground on that the tanks covered by sales contr were not actually being purchased by	s that the management d knowledge of the fact eacts purchased from Superior the farmer whose name rather for lease by him f pointed out he personally that engaged in any duties with CIT and,
TURRIFF volunteered he was a nosition with and is currently empt	by CIT, accepted in
TURRIFF stated to his knowledge the creation of fraudulent sales contwith various major finance companies support of this opinion, TURRIFF states the conferences held by the major firm	tracts discounted by Superior as recently disclosed. In ted immediately prior to

Texas, and as he recalls during the week of March 18, 1962, he had occasion to contact by long distance telephone at He pointed out the sole purpose of this call at the prospective accounts in connection time was to elicit from | with his (TURRIFF's) financial brokerage business. During represented to the course of this conversation, however him that within a few days prior to this call, he called into conference by HAROLD ORR and RUEL ALEXANDER at Superior, at which time they informed him the situation with respect to discounted sales by the company was about to "blow up", that although he Purportedly, ORR and ALEXANDER stated to had no prior knowledge concerning the irregular character of these transactions they, nevertheless, were bringing such to his attention inasmuch as he was then an executive of the company and therefore was entitled to know. TURRIFF said according to they then proceeded to describe to him the fact the contracts in question were fraudulently prepared, which disclosure had of such.::. supposedly was the first knowledge

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TURRIFF readily acknowledged during the period of his association with CIT he became personally acquainted with BILLIE SOL ESTES through business contacts as well as socially. TURRIFF was quick to point out throughout this period of contact and association with ESTES, he always characterized the latter as a wealthy and successful businessman whose honesty and integrity In support of this, TURRIFF referred to the was unquestionable. fact ESTES was known by him to be extremely active in the Church of Christ and traveled a great deal for the Church He noted over a period of time ESTES engaged as a lay preacher. in substantial financial arrangements with CIT as a source of capital for his various business ventures and to his (TURRIFF's) knowledge, all such business relationships with the company were legitimate and satisfactorily handled.

TURRIFF said as a result of his admitted acquaintance and association with ESTES, there were numerous occasions wherein he was entertained socially by ESTES. By virtue of the friend-ship that naturally grew between them, ESTES called upon him (TURRIFF) for various personal favors. The favors referred to, according to TURRIFF, involved efforts on his part to locate a used DC-3 airplane, which ESTES indicated he was desirous of purchasing, and special portable dictating equipment, which ESTES wanted for use in his extensive travels around the country. TURRIFF said these were only two examples of the type of favors ESTES called upon him to perform and noted he devoted considerable

personal time in his efforts to satisfy ESTES' requests. performance of these activities for ESTES, TURRIFF said there were innumerable occasions in which he had personal contact with He stated on one such occasion in about December, 1960, or January, 1961, while ESTES was in Dallas, they had dinner together during which time TURRIFF was attempting to locate a During the conversation on this used DC-3 aircraft for ESTES. occasion, TURRIFF made a comment to the effect he was going to dispose of his personal car and attempts to buy a new one. in response to this, remarked to the effect that if TURRIFF did dispose of this car, he (TURRIFF) was welcome to borrow one of TURRIFF said he considered ESTES' cars rather than buy a new one. this a generous gesture on ESTES' part with a result shortly thereafter he disposed of his car and took ESTES up on the offer. He claimed he considered there was nothing irregular in the acceptance of the car, emphasizing the car was only loaned to him by ESTES for his use and that title thereto remained in ESTES' name. He described the car as a 1961 Thunderbird which he still has in his possession but that it is now in storage pending return of it to ESTES.

TURRIFF also acknowledged that following termination of his employment with CIT and in connection with his current self-employment as a financial broker, ESTES also made available to him as a "loan" the use of a 1961 Chevrolet for use in his travels in connection with his occupation. He stated this car is also still in his possession and in storage with the Thunderbird pending return to ESTES.

TURRIFF said in early 1961 while still employed by CIT, he had a meeting with ESTES in the latter's office at Pecos, Texas, exact purpose not now recalled. On this occasion, ESTES informed of his intent to expand his ammonia fertilizer business, but that in order to do so the farmers and ranchers throughout Texas would have to invest in anhydrous ammonia tanks in order to use the fertilizer. ESTES indicated to him that the tanks would be those manufactured by Superior and Lubbock Machine and Supply Company, Lubbock, Texas, and inquired as to whether CIT would be willing to finance the purchase of the tanks in the event they were sold to the farmers. TURRIFF said at that time CIT already held paper covering anhydrous ammonia tanks sold individuals and firms by Superior, which accounts to his knowledge at that time were current. He said he referred ESTES to that

fact and stated if any new paper generated in connection with tank purchases was as good as that already held, CIT in all probability would be receptive to its acquisition. TURRIFF emphasized as of this time there was no information available to him to indicate the contracts already held or that any new ones created were or would be irregular and, therefore, considered ESTES' inquiry as nothing more than a potential source of additional business for CIT.

TURRIFF claimed his position then held with CIT was merely one of over-all administrative surveillance on the Dallas office and that he had no singular authority whereby he could influence the acquisition or denial of credit instruments offered to the company. He pointed out under the organizational setup, such matters regarding credit extensions were vested in and controlled by the operations unit, in charge of credits, headed by He stated this unit has various credit limitations imposed and controlled directly from the CIT home office, New York, and that in such matters involving credits the unit operates under complete authority of the home office.

Continuing, TURRIFF said several months following the above conversation with ESTES, he again had occasion, exact reason not now recalled but believed to have been in connection with his efforts to locate an airplane for ESTES, to meet with the latter in his office at Pecos, Texas. During the conversation, ESTES made a remark to the effect that TURRIFF had been very nice to him and he was most appreciative of it. ESTES then handed to TURRIFF a sealed envelope of considerable thickness, which ESTES claimed was a present for TURRIFF in consideration of their TURRIFF stated he did not open the envelope in the friendship. presence of ESTES, but waited until he returned to his home in Dallas before opening it. He said he found the envelope contained between \$12,000.00 and \$15,000.00 and that his only reaction was whether or not it would be proper for him to accept it. He said he rationalized the money was nothing more than an expression or token of ESTES' appreciation for the time and effort TURRIFF devoted to the aforementioned personal favors asked of him. When asked if he called ESTES or in any way communicated with him concerning the money, TURRIFF said he did not.

TURRIFF further admitted on two contacts with ESTES subsequent to the above, ESTES gave him additional sums of money, exact amounts not recalled, but estimated the aggregate total of the three gifts at \$19,000.00. In accepting the money on

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the last two occasions, TURRIFF claimed ESTES indicated he was giving it to him for the same reason expressed on the first TURRIFF maintained he never questioned ESTES' reason for giving him the money nor did he seek an explanation from ESTES as to why the money was given him. He steadfastly denied performing any service for ESTES of an official character in connection with his employment with CIT and that he could only conclude the money was given out of generosity and friendship by ESTES.

TURRIFF volunteered also during the same approximate period of time, he made mention to ESTES of a desire to invest in land in the west Texas area and sought advice from ESTES as to whether any good land was available. He said ESTES agreed to attempt to locate a good investment for him and within a short period of time thereafter, arranged for TURRIFF to purchase 640 acres in Reeves County Texas. TURRIFF said his negotiations Texas, were directly with and the consideration involved amounted to \$7,500.00 down, wnich was paid from his own personal funds, and a promissory

note for the balance of \$18,100.00 payable over a period of ten years.

In about January, 1962, TURRIFF stated he received a telephone call from ESTES who was then at the Love Field Air Terminal, Dallas, Texas, en route to Washington, D. C. ESTES informed him of a desire to buy the land held by TURRIFF, claiming such land adjoined property owned by ESTES which he felt to his advantage to acquire. TURRIFF said ESTES offered him \$20,000.00 cash for his \$7,500.00 equity in the land and that he (ESTES) would assume payment of the outstanding balance due which was then about \$18,000.00. TURRIFF stated he agreed to accept ESTES' offer and thereafter appropriate papers were drawn which recorded the sale as being from TURRIFF to

BILLIE SOL ESTES.

In response to specific questioning, TURRIFF stated the aforementioned \$19,000.00 received by him from ESTES during 1961 was reported by him as income on his 1961 income tax return and described thereon as "commissions". In this connection, he pointed out in his employment since termination with CIT, he operates on a commission basis; that is, a percentage of any financial transactions which he arranges, and, therefore, did not consider it in any way irregular to report the money from ESTES as a part of his commission income.

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TURRIFF maintained he did not know anything regarding the nature and extent of ESTES' business interests or activities. He reiterated until the time of CIT's investigation into the sales contracts held by them in May and June, 1961, he was never aware that ESTES was in any way involved with respect to the anhydrous ammonia tanks securing those contracts. stated he was not aware that such contracts were fraudulently prepared and in fact created by ESTES until recent publicity concerning same.

The following is a physical description of TURRIFF obtained through interview and observation:

> JAMES AUSTIN TURRIFF, JR. Name White Race Male Sex 47 Age 12/26/14, Francis, Oklahoma Birth Data 61 Height 185 Weight Gray, bald Hair Brown Eves Medium Complexion Medium Build JANICE L. TURRIFF Wife 443-10-8434 Secial Security No. First Lieutenant, U. S. Army, Military Service May, 1942, to November, 1945, serial number not recalled, honorably discharged. Claims none Arrest Record 3521 Drexel Drive, Dallas, Texas Residence Self-employed as financial broker

with offices in residence.

Employment

EP 29-351

XI. INFORMATION RELATIVE TO DELIVERY OF SUITCASE TO JOHN ESTES, DENTIST AT ABILENE, TEXAS, ON MARCH 29, 1962

г	·	Page
1.	Texas	310
2.	Estes Enterprises	311
3.	Records of West Texas Communication Corporation, Pecos, Texas	315
4.	Obtaining search warrant and searching premises Texas	□ ₃₁₇

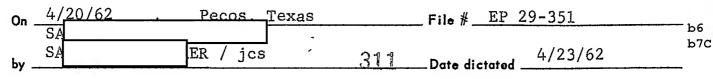
b6 b7C b7D

		3	Date April 24, 1962	2
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			· ·	
	this case;		in telephonically	ÿ
<u>,</u>				
/L			, ESTES about two	
, — ;	hours prior to the	time that he was arres	ted had had his	
	pilot deliver a su person in Abilene	uitcase from Pecos, Texa , Texas. State	s, to an unknown	
		on to furnish in this reight be of value to the	gard, but felt that	

On 4/19/62 at Pecos - El Paso, Texas File # EP 29-351

by S jcs 310 Date dictated 4/23/62 b7c

Date <u>April 23, 1962</u>	
Foster's Restaurant, 425 West 3rd Street. He was advised of the identity of the interviewing agents, the fact that he was entitled to consult an attorney and that any statement made either oral or written could be used against him in a court of law.	6 7C 7D
b	6 7C 7D
b	6 7C 7D
l b	6 7C 7D



EP 29-351 b6 b7C b7D b6 b7C b7D **b6** b7C b7D b6 b7C b7D b6 b7C b7D

EP 29-351

said that he was furnishing the above information in the strictest of confidence and would appreciate very much if he as a source of this information would not be divulged to anyone under any circumstances. He stated that he would not appreciate ESTES or any of his family learning that he had made this information known to the FBI.	ье ь7 ь7
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	b6 b7 b7
	b6 b7 b7

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				Date Apr	il 24, 196	2
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F			a subpoena	duces tecum	should	<u></u>
	,					7
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···						-
	4/20/62 **	Pecos, Texa	s	_ File # _ EP 29	9-351	
On .	SA					h h
by _	SA	/ jcs	315	Date dictated _	4/23/62	

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EP 29-351		

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316

FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

Date	4/25/62	

An affidavit for search warrant to conduct a search of the premises known as the residence of
was filed with GLADIS M. WALLS,
U. S. Commissioner, Abilene Division. Northern District of
Tovas Assistant II S Attorney
Texas, on April 20, 1962,
authorized the issuance of the search warrants on premises occupied by Two search warrants were obtained
occupied by Two search warrants were obtained from GLADVS M. WALLS, one to conduct a search of the residence
THIS WILLIAM IN THE IN COMMITTEE A SCALOR OF THE PROPERTY.
following items:
(1) l brown suitcase the size of a regular two-suiter suitcase, with a rather slick finish, weighing with contents approxi- mately 35 pounds, and contents.
(2) 1 zipper bag approximately $3\frac{1}{2}$ inches by
8 inches, with zipper fastener, and
contents
Commissioner's Docket No. 2. Case No. 285, dealt with a search Commissioner's booket No. 2. Case No. 286, dealt with a search of the residence
•
Interview with File # File #
on 4/20/62 at Abilene, Texas Date dictated 4/21/62
by Special Agent /rmb 317

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FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

Date 4/25/62

and URAL E. HORTON, JR. identified themselves to him as Special Agents of the FBI, and after being advised he did not have to make a statement, that any statement he made could be used against him in a court of law, and that he had the right to consult an attorney, stated that he did not wish to make a statement and that he wished to consult an attorney.

Interview with	File # PL 29-1096	
on 4/21/62	Abilene, Texas Date dictated 4/21/62	 b6
by Special Agent	URAL E. HORTON, JR. /rmb	ь7с

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FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

		Date <u>4/25/62</u>	
Fifth and Pin Warrant beari the presence negative.	e Streets, after ESTES was ng Commissioner's Docket No of Result	etroleum Building, served a copy of Search c. 2, Case No. 286, in s of the search were	l l
premises was	tification that <u>nothing was</u> obtained from a copy was made available t	The original was	, k
	/		
nterview with		File # DL 29-1096	
on 4/21/62	Abilene, Texas	Date dictated	
L Special Agent	URAL E. HORTON, JR. /1	rmb]

FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

was conducted in the presence of Petroleum Pullding, Filth and Pine Streets, after ESIES was served a copy of Search Warrant bearing Commissionaris Booket No. 2, Case No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him.	was conducted in the presence of Petroleum Pet	·		Date	25/62	
was conducted in the presence of Petroleum Pullding, Fifth and Pine Streets, after ESIES was served a copy of Search Warrant bearing Commissioner's Dacket No. 2, Case No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him.	was conducted in the presence of Petroleum Petroleum Suliding, Fifth and Fine Streets, after ESIES was served a copy of Search Warrant bearing Commissionaris Dacket No. 2, lase No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him. The original was retained and a copy was made available to him.					
was conducted in the presence of Petroleum Pullding, Fifth and Pine Streets, after ESIES was served a copy of Search Warrant bearing Commissioner's Dacket No. 2, Case No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him.	was conducted in the presence of Petroleum Petroleum Suliding, Fifth and Fine Streets, after ESIES was served a copy of Search Warrant bearing Commissionaris Dacket No. 2, lase No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him. The original was retained and a copy was made available to him.	`A ======1				
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Case No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him.	copy of Search Warrant bearing Commissionar's Docket No. 2, Case No. 285, in the presence of the search were negative. Certification that nothing was removed from the premises was obtained from The original was retained and a copy was made available to him. The original was retained and a copy was made available to him.			Pe	etroleum	
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					•	
n <u>4/21/62</u> o <u>t Abilene Texas</u> Date dictated <u>4/21/62</u>	COLLA . HEAL E HODEON IR /mmb	n <u>4/21/62</u> <u>at Abil</u>	ene. Texas	Date dictat	ed <u>4/21/62</u>	

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FEDERAL BUREAU OF INVESTIGATION INTERVIEW REPORT

Date .	4/25/62
Date .	

	Return of Service of Search Warrants, Commissioner's
Docket	No. 2, Case No. 285, and Case No. 286, was made to
GLADYS	WALLS, U. S. Commissioner, Abilene Division, Northern
Distric	t of Texas The warrants referred to a search of
premise	

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No items listed in the warrant were found during the search of the aforementioned premises conducted April 21, 1962.

The items listed in the warrant were:

- (1) I brown suitcase the size of a regular two-suiter case, with a rather slick finish, weighing with contents approximately 35 poinds, and contents.
- (2) 1 zipper bag approximately $3\frac{1}{2}$ inches by 8 inches, with zipper fastener, and contents.

Interview with			File # DL	29-1096
on <u>4/21/62</u>	_atAbilene, T	exas	Date dictated	4/21/62
by Special Agen		/rmb 321		

EP 29-351

XII. INVESTIGATION CONDUCTED RELATIVE TO PERIOD JANUARY 1, 1959, THROUGH MAY 1, 1960, WHEN R. E. CLEMENTS WAS PRESIDENT OF SUPERIOR MANUFACTURING COMPANY.

1.	Pacific Finance Company records	<u>Page</u> 323
2.	Talcott, Inc. records	325
3.	Oklahoma .	327
4.	Testimony of before court of inquiry of Texas Attorney General on 4/19/62 at Lubbock, Texas.	328
5.	Lester-Stone Company,	333

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FD-302 ((Rev. 1-25-60)	FEDERAL BUREAU OF INVESTIGATION	
		5/9/52	
, [which we backgrou file and original Finance Company,	1	⊳6 ⊳7C
		BILLIE SOL ESTES BILLIE SOL ESTES ENTERPRISES	
	particul June 14, for the of previ Manufact 1961 and a custom explaine through by Pacif	I BIGU WAUE SASTISHIE TWO COECUP DEVENTE	⊳6 ⊳7C
	check sh	advised that there was one more cancelled 1	o6 o7C
	5/8/62	_atLos Angeles, California File #Los Angeles 87-15971	

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Date	5/9/62
Deside Timomo O	b6 b70
Pacific Finance C Angeles, California, advised that his compa- files numbered 1-5-0075 and 1-5-0036 plus a file concerning He stated to of these files was located in the office of attorneys ERION, and so forth in Dallas, Te	ny had loan background credit hat the original Pacific Finance
no dealings with BILLIE SOL ESTES or the Su Company of Amarillo, Texas, between the per to May 1, 1960. He advised that the first Manufacturing Company were November 18, 196	perior Manufacturing by iod January 1, 1959 dealings with Superior
had no record of any dealings with a	Finance Company b6 b70
stated that Pacific Fir contracts with COLEMAN D. MCSPADDEN and had were transferred to MCSPADDEN after first become other individual.	l no contracts which
of the Commercial Financing Division who had make available and keep track of all files ESTES and the Superior Manufacturing Compar	concerning BILLIE SOL be
, ·	•

	_
SA	ь6 ь7с

May 10, 1962

b₆ James Talcott. Inc., 820 Northwestern National Bank Building, made available all records maintained in his office concerning loans discounted by his company for Superior Manufacturing Company. advised that James Talcott, Inc., is the successor company to First Acceptance Corporation and that the latter concern, as well as James Talcott, Inc., has purchased a total of 30 leans from Superior Manufacturing Company, Amarillo, Texas. He said at the present time one of these loans has been paid off entirely and payments are being made currently on nine of the loans. b6 said that between the period January 1. b7C 1959, and May 1, 1960, thirteen loans were purchased from Superior Manufacturing Company. **b6** related that an employee of James Talcott. b7C on hebalf of the company, interviewed Inc. Colorado, particularly to learn wnether had ever actually seen any of the storage tanks on which be said he received adwes making payments. vice from to the effect that apparently the storage tanks purchased by ere nonexistent. nished photostat copies of an interoffice memoranuum dated 1962 concerning his interview of

attorney.

On	5/9,10/62	at	Minneapolis,	Minnesota	File #	Minneapo El Paso	olis 87-7949 29-351
			SNYDER/ck	325		ictated	5/10/62

FD-302 (Rev. 1-25-60)

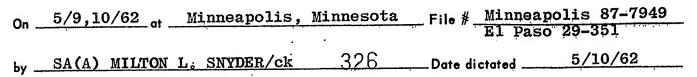
FEDERAL BUREAU OF INVESTIGATION

Date	May	10.	1962	

A review of the thirteen loan packages which James Talcott, Inc., and First Acceptance Corporation purchased from Superior Manufacturing Company during the period January 1, 1959, through May 1, 1960, disclosed the following information: The serial numbers of the equipment on which the loans are made were reflected on the original chattel mortgages appearing in each file, and in all instances these serial numbers were in conformity with serial numbers 39458 through 42838 except the following four loans:

Talcott Schedule Number	Name of Borrower	Date of Instruments
6	GLENN ALEXANDER Pecos, Texas	5/7/59
14	Dick's Propane Service Co. Fowler, Colorado	4/7/60
15	Dick's Propane Service Co. Fowler, Colorado	4/22/60
16	COLEMAN D. MC SPADDEN Hereford, Texas	4/22/60

Photostat copies of all pertinent documents contained in these four loan packages were obtained.



FEDERAL BUREAU OF INVESTIGATION

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Date5/8/62
Pursuant to appointment made, by long distance
telephone on May 1. 1962. s contacted at
bis residence UKLanoma, for purpose of
interview.
tri's and a state of the state
Whereas indicated when contacted by long
distance telephone that he would be amenable and available
for interview, he advised on contact he did not feel it was
within his best interest to proceed with the interview
pending consultation and advice from his attorney.
identified Texas,
and consented to meet interviewing agents at
office in Amarillo, Texas on May 3, 1962, at which time he
would advise whether or not he would submit to the desired
interview.

DL 29-1096
File # EP 29-351

on 5/2/62 at Oklahoma Date dictated 5/7/62 bfc

BAYMOND C ECKENRODE and by Special Agents

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Date <u>5/8/62</u>
Oklahoma,
Gibson,
Ochsner, Harlan, Kinney, and Morris, Suite 603, Amarillo
Building, were contacted at the latter office.
lung de la companya d
advised his was in possession of considerable information which he characterized
as vital to the FBI's investigation in this matter and it
was his desire that cooperate and provide to the FBI
complete details of the information which he possesses.
inferred the information possessed by was
evidentiary in nature and would relate to irregularities
involving ROBERT E. CLEMENTS, particularly with respect to
fraudulent contracts created with his knowledge and assistance,
proceeds of which were used by COLEMAN D. MC SPADDEN, HAROLD
E. ORR, and RUEL W. ALEXANDER to purchase Superior Manufacturing Co. from CLEMENTS. He further indicated the disclosures which
could be made by would also involve an attorney, not
further identified, as a co-conspirator or otherwise having
guilty knowledge of the fraudulent transactions in question.
`. [
cooperation was wholly
contingent, however, on the Department of Justice granting com-
said he would not be receptive nor would he agree to, any proposal in this instance should Department of Justice
suggest naming in
any future prosecutive action. pointed out the "deal"
which he was proposing was baed solely on Government's use of
testimony as that of a material witness and not in
any way named as a He said
should his offer be accepted by the Department of Justice, would make a full and complete disclosure of all
Information in his possession, including identities of persons
involved, acts in furtherance of the scheme, dates of such
as best recalled, and certain transactions which changed hands
in connection with such scheme. He indicated at the discretion
of the Department of Justice, he would arrange for such
testimony to be offered before a Federal Grand Jury or to
agents of the FBI.
was tactfully advised the proposal and/or
arrangement requested by him could not be agreed to by interviewing
DL 29=1096
File # <u>`EP 29=351</u>
n <u>5/3/62 at Amarillo, Texas</u> Date dictated <u>5/7/62</u>
n <u>5/3/62 at Amarillo, rexas</u> Date dictated <u>5/8/62</u> RAYMOND C. ECKENRODE and
it in
y Special Agents—
his document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to
our agency; it and its contents are not to be distributed outside your agency.

DL 29-1096

agents but that same would be made available to the office of the U. S. Attorney, Western District of Texas, El Paso, Texas, for his information.

1. EP-29-351 DL-29-1096

On April 19, 1962, WILL WILSON, Attorney General for the
State of Texas, held a court of inquiry hearing at Lubbock. Texas.
During the course of this hearing, one
rexas, and presently Oklahoma testified.
The testimony as offered by was monitored by SAs and
ECKENRODE and the following is a summary of the statements made by
at this time:
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stated that he first met BILLIE SOL ESTES in 1957 when attempting to sell ESTES some ammonia. He stated he was in the fertilizer business and that he ran a retail fertilizer operation at Wildorado, Texas. He stated that in addition to this he trucked ammonia fertilizer from Eldorado, Arkansas, to Pecos, and sold this fertilizer to BILLIE SOL ESTES. vised that due to the financial conditions of BILLIE SOL ESTES he demaned payment of each load as soon as it was delivered. He testified that when he attempted to stop selling fertilizer to ESTES, ESTES called him on the telephone and threatened to have a Senate investigating committee check into his activities if he did not resume delivering fertilizer for him. He testified that at one time ESTES offered to buy one half interest in his fertilizer business. He stated he agreed to sell this interest to ESTES for \$240,000.00. He stated that ESTES agreed on this price and stated they would finance some ammonia storage tanks that he, ESTES, had. He stated ESTES attempted to get him. to sign the collateral contract agreements in connection with the finance of these tanks, but he refused to do so.

further testified that he first met HAROLD ORR in 1956 at which time ORR was a salesman for SUPERIOR MANUFACTURING COMPANY. He stated that he purchased some 40 tanks from SUPERIOR MANUFACTURING COMPANY and stated 2 of these tanks were the 8,000 gallon capacity taype. He advised that in addition to this, he purchased some 5 tanks from the LUBBOCK MACHINE AND SUPPLY COMPANY of Lubbock, Texas. He advised that on all of these purchases, he financed the transactions through the different finance companies suggested to him by HAROLD ORR. He stated that ORR would handle the contracts, the chattel mortgages and notes and that these notes and chattel mortgages would be subsequently sold to the different finance companies.

He advised that early 1960 HAROLD ORR contacted him at Wildorado, Texas, and informed him that he and ALEXANDER desired to purchase SUPERIOR MANUFACTURING COMPANY from ROBERT CLEMENTS, President, SUPERIOR MANUFACTURING COMPANY. He stated

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2.

DL-29-1096 EP-29-351

that ORR explained to him that he could raise the \$79, Qno cash needed by financing or re-financing the tanks already owned. He testified that ORR explained which to him that they could re-finance the tanks and would use the actual serial numbers of the tanks involved. He stated that he informed ORR that he desired to contact his attorney in Amarillo and that if he did so, the attorney might cause the deal to fall through. He advised that at a later date, Oklahoma, accompanied him to Amarillo, Texas, where they met with ORR. He stated that ORR then explained the method of financing the tanks in to obtain the money necessary to purchase an order for interest in SUPERIOR MANUFACTURING COMPANY and that only he, nd ORR were present during this conversation. He stated that after ORR explained the financing of the refinancing of the actual tanks owned by informed him that although the transaction may not be ethical, it was not illegal. He stated that he asked ORR how he was going to be able to finance the tanks when they already had a chattel mortgage charged against them and stated ORR replied, "Well, they'll have second mortgages, but the finance company won't know it."

He stated that after securing legal advice of he agreed to refinance his tanks and submitted a list or serial numbers of the tanks he had previously purchased from SUPERIOR MANUFACTURING COMPANY through ORR. He stated that he subsequently learned that the chattel mortgages prepared by ORR listed serial numbers which did not exist and which were not owned by him. He stated that ORR later told him that there were no tanks in existence to support the serial numbers and that all of the money paid to ROBERT CLEMENTS for SUPERIOR MANUFACTURING COMPANY came as a result of these fictitious chattel mortgages. He advised that when ORR was successful in obtaining the money from the finance company he met CLEMENTS and ORR and ALEXANDER in the offices of SUPERIOR MANUFACTURING COMPANY at which time he executed a check in the amount of \$79,000.00 in payment of his part of the stock of SUPERIOR MANUFACTURING COMPANY. He stated that ORR then immediately drew him a check in the amount of \$79,000.00 against SUPERIOR MANUFACTURING COMPANY and that these two checks merely balanced each other out. He stated at this

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DL-29-1096 EP-29-351

time ORR then executed a check to CLEMENTS in an amount in excess of \$300,000.00, representing the purchase of the stock from CLEMENTS.

He stated that at a later date, he needed additional \$40,000.00 and stated he turned the serial numbers of the tanks on his farm over to ORR and asked that these tanks be refinanced. He stated that at a later date, he learned that ORR had substituted the serial numbers of the tanks he actually owned for serial numbers which were not on the tanks on his farm and had sent this in to the finance company. He stated that when questioning ORR about this, ORR informed him that he did not have enough collateral to secure the \$40,000.00 needed so he, (ORR), had changed the serial numbers on all of the chattel mortgages.

He stated that after being associated with ORR in the SUPERIOR MANUFACTURING COMPANY for a short period of time, he became scared for fear that he would be sent to the penitentiary for execution of the fictitious chattel mortgages. He stated that he contacted ORR who subsequently persuaded COLEMAN McSPADDEN, Lubbock, Texas, to assume all of his indebtedness. He stated this transaction took place in about August 1960 and stated that he turned over everything he owned to COLEMAN McSPADDEN to assume the indebtedness which he had incurred in connection with this transaction. He stated that the property he turned over to McSPADDEN included an elevator and a barn and some loading equipment for grain storage at Wildorado, Texas, another grain elevator, one half section of land, 4 ammonia businesses, 6 Mack Trucks, 3 new diesel trucks, 3 old diesel trucks, 5 tractors, and additional equipment. He stated that at the time he transferred all of this property to McSPADDEN, he had a net worth of some \$400,000.00. He testified that the reason he transferred all of this property over to McSPADDEN in exchange for McSPADDEN assuming all of the indebtedness he owed, is because he was afraid of being sent to the penitentiary for signing the ficitious mortgages handed to him by HAROLD ORR. repeated that ROBERT CLEMENTS, former president of SUPERIOR MANUFACTURING COMPANY, Amarillo, Texas, received all of the money as results of the fictitious mortgages that he signed. He testified that as a result of his transferring everything to McSPADDEN, he was forced out of business and had to return to Frederick. Oklahoma.

FEDERAL BUREAU OF INVESTIGATION



5/7/62 Lester - Stone Company. 1303 Date, was advised that he did not have to make a statement and that any statement he made could be used against him in court. He was advised of his right to consult an attorney before making a statement. advised that the signature appearing on the back of the photostat of check Number 40519 of the Superior Manufacturing Company, Amarillo, Texas, dated April 27, 1960, payable to the "Lester - Stone Company", signed by ROBERT E. CLEMENTS, drawn on the First National Bank, Amarillo, Texas, in the amount of \$36,900.00, endorsed "PAY TO THE ORDER OF RUEL W. ALEXANDER & HAROLD E. ORR, Letter - Stone Company, 410 East Sixth Street, Plainview, Texas, by is not his signature. He advised that he did not endorse this check, has never seen the check, was not aware of its execution, and did not give anyone permission to sign his name of this check. He advised that this check was never in his hands, was not received at the office of Lester - Stone Company, and in no way is a part of or the property of the Lester - Stone Company. He stated that he does not know who or for what purpose this check was drawn and at no time ever endorsed a check over to

RUEL W. ALEXANDER or HAROLD E. ORR.

your agency; it and its content's are not to be distributed outside your agency.

File # DL 29-1096-EP 29-351 ' et Plainview, Texas Date dictated **b6** by Special Agent b7C This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to

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FD-302 (Rev. 3-3-59)

FEDERAL BUREAU OF INVESTIGATION

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on 4/30 -5/1,2/62 _{0†} Amarillo, Texas	Date di	ctated <u>5/8/62</u>

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by Special Agent RAYMOND C. ECKENRODE/sah

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FEDERAL BUREAU OF INVESTIGATION

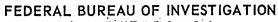
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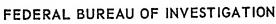


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Date 5/7/62

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		City Nationa	l Bank, Plainview,	•
exas, advise	d that during the s	ummer of 1960	a man came up to	
ລາ ທຳກປັດທຸລາເ	d handed her a chec	k drawn on u	IG TIED CET -D COME	
omnany Plais	nview Texas She	stated that t	nis check was	
ade payable	to HAROLD E. ORR and OOO. She advised t	hat she asked	ORR if he had	
nv identific	ation and he exhibi	ted some <u>ider</u>	tification cards	
o her She	stated that she not	siced that		
lest.	er-Stone Company, W	ras standing i	n the doorway of	
he bank wait	ing for ORR and adv	vised that she	e wondered why sed that this check	
as signed by	land	drawn on the	e Lester-Stone	
account at th	at bank. She advis	sed that some	three or four	
onthe later	ORR again entered t	the bank and c	asned another thet	k
for about \$2.	000. drawn on the I	_ester-Stone. (ombany. She au-	
ised that OR	R was accompanied to doorway leading from	to the bank by		
stood in the	dered why did	not identify	ORR. She advised	
that these tw	o checks are the or	nly ones that	she recalls cashin	ıg.
for ORR.	•	v		
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by Special Agent _		<u> </u>	_	

On



Date <u>April 23, 1962</u>

The following information of a confidential nature	h.C
obtained through the issuance of a subpoenage duces tecum	ь6 ь7 ь7

SA SA /j1k 350 Date dictated 4/19/62

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EDERAL BUREAU OF INVESTIGATION

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Date April 23, 1962 First National Bank, advised that it is one of his duties to answer inquiries from finance companies or other lending institutions concerning bank customers. He stated that he had answered any number of inquiries from finance companies who were purportedly buying paper from farmers in the Pecos area covering purchases of farm equipment. stated that these letters received are usually of a form type and usually require only filling in certain blanks. He stated that in receiving these letters he always checked the particular customer's account at the bank and merely furnished information to the finance company as to the number of years the particular bank customer had been with the bank and his high balance and any information sought concerning previous loans had by the bank with the farmer. stated that no influence of any kind had been exerted on him by BILLIE SOL ESTES or anyone else, with would inflate or build up a the idea in mind that he, particular customer's credit rating or standing with the First National Bank.

SA SA /j1k 352 Date dictated 4/19/62

Texas

Pecos.

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XIV. TELEPHONE COMPANY RECORDS, PECOS, TEXAS

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	to MC SPA	DDEN				 354

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XV. ARREST RECORD FOR HAROLD E. ORR

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3. [
	Texas	359

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The FBI Identification Division advised on April 5, 1962, HAROLD EUGENE ORR, FBI No. 124051E, has the following arrest record:

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
PD Amarillo Texas	Harold Eugene Orr #17839	9-17-53	theft felony	trans to Co 9-17-53
SO Amarillo Texas	Harold Ugene Orr, #40824	3-29-62	interstate trans of stolen prop	
Deputy USM Amarillo Texas	Harold Eugene Orr #	3-30-62	interstate trans of fls securities	

On April 6, 1962, the FBI Identification Division advised RUEL WADE ACEXANDER, FBI No. 132970E, has no prior arrest record.

The FBI Identification Division advised on April 10, 1962, COLEMAN DELBERT McSPADDEN, U. S. Marshal, Lubbock, Texas, No. 01385, has no prior arrest record. It was indicated McSPADDEN has the following fingerprint classification:

6 0 9 R 100 L 21 U 000 18

Date	5/7/62	

On May 4, 1962, SA WILLIAM R. JENKINS reviewed the records in the office of the District Clerk, 47th District of Texas, Potter County, Texas, and it was noted that HAROLD E. ORR was indicted for embezzlement on November 5, 1953, but this indictment was later dismissed on March 17, 1954, upon motion of the District, Attorney due to a faulty indictment. On February 25, 1954, he was again indicted on the same offense and a certified copy of this indictment which read as follows was secured:

"In the Name and by the Authority of the State of Texas:

"THE GRAND JURORS for the County of Potter, State aforesaid, duly organized, impaneled and sworn as such at the January Term, A. D. 1954, of the District Court of the 47th Judicial District, in and for said County, upon their oaths in said Court present that HAROLD E. ORR and JOSEPH T. JOSEPH, acting together hereinafter called defendants on or about the 22nd day of June A. D., 1953, and anterior to the presentment of this Indictment, in the County of Potter and State of Texas, did then and there unlawfully and while the said HAROLD E. ORR was then and there an employee of the Graybar Electric Company Incorporated, the said Graybar Electric Company Incorporated then and there being an incorporated company, and the said HAROLD E. ORR and JOSEPH T. JOSEPH did then and there fraudulently embezzle, misapply and convert to their own use, without the consent of the said incorporated company, one stove belonging to said incorporated company of the value of over \$50.00, which said stove had come into the possession and was under the care of the said HAROLD E. ORR by virture of his said employment,"

A review of Docket Number 9157 reveals that on March 17, 1954, HAROLD E. ORR entered a plea of guilty to the above indictment and was sentenced to serve two years in the Penitentiary but the sentence was suspended.

		File #
on <u>5/4/62</u> at	Amarillo, Texas	Date dictated5/年/62
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FD-302 (Rev. 3-3-59)

FEDERAL BUREAU OF INVESTIGATION

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FEDERAL BUREAU OF INVESTIGATION

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	4/24/62	
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	We would like	ъ6
	Waggonseller	b7C
and Cobb, 1819 Avenue K, furnished	the following information:	•
rtated he wa	s personally acquainted with	ь6
COLEMAN D. MC SPADDEN, having first	met MC SDADDEN in about	b7c
1954 when they lived in the same re	sidential neighborhood. He	
stated he is not now, nor has he eve	r been the attorney for	
MC SPADDEN or the Superior Manufact	uring Company (Superior),	• •
Amarillo, Texas. said	during early February,	
1961, he received a telephone call	at his office from MC SPADDEN	
who indurred if would	be interested in serving	
as the nominal president of Superio	or. MC SPADDEN informed him	•
that he MC SPADDEN, and HAROLD E.	ORR and RUEL ALEXANDER,	
collectively, owned all of the capi	tal stock of Superior in	
equal distribution. In the convers	sation, MC SPADDEN repesen-	.*
ted the three of them were having a	disagreement with respect	•
to the management of Superior and a	is a result; had come to	
a mutual agreement whereby they wou	ild seek to appoint	-
a neutral third party to fill the p	osition of president in	
name only. In this connection,	stated MC SPADDEN	
made clear that if he accepted the	position offered, he would	
have no executive authority whatsoe	ever in the business and	
would not in any way have any activ	in the event the offer was	*
	\$100 per week for	
accepted, Superior would pay	said he did	
the use of his name as discussed. I not immediately accept the offer but		
would think it over and notify him	at a later date as to his	
decision. About a week later, MC S	SPADDEN recontacted him	
concerning his decision, at which t	time notified	
him that he would accept the offer.	Thereafter.	
said MC SPADDEN provided him with a	a brochure and related	
literature which detailed the produ	acts manufactured by	
Superior and in addition also furni	ished a balance sheet of the	
company for the calendar year ended	d December 31, 1960.	
stated recor	rds in his possession indi-	b6
cated he served as nominal presider	nt for Superior during the	b7C
inclusive period February 11, 1961	through October 27, 1961.	
	bout March 10, 1961, he	
received a call from Amarillo, Texa	as, from HAROLD ORR, who	
indicated he was planning a trip to	o Lubbock, Texas, to meet	
*		
and the second s	Dr. 20 1006	
	File # DL 29-1096 EP 29-351	
	₩ Z9-391	
4/20/62 Lubbock, Texas	4/23/62 Date dictated	
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L. C I A G	RAYMOND C. ECKENRODE /wvm	b6 b7С
by Special Agents	AVAD 3. 212 V 1 107 V 0 40 V 2 2 40 V 2 2 40 V 2 40	570

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DL 29-1096 EP 29-351

with Associates Investment
Company of Lubbock, regarding a line of credit for Superior,
and that while in Lubbock, he, ORR, wanted to stop by and
meet pointed out as of this time
ORR was unknown to him and he had not met either ORR or
ALEXANDER. Within a week following this call. ORR appeared
at office in the company of and
he accompanied these two individuals to lunch.
said no business of any kind was discussed among them and it
appeared to him ORR and had completed their business
prior to coming to his office. He said following lunch,
ORR returned to his office and in conversation, suggested
that prepare a financial statement of his
personal net worth to be placed in the records of Superior.
He stated after ORR left his office, he prepared a rough-
drafted outline of a net worth statement asked for by ORR.
The following weekend, at the invitation of ORR, he flew
to Amarillo in Superior's private plane, the purpose of the trip, according to ORR, being an opportunity for
to see Superior's plant, tour its facilities, meet
the company personnel, and to sign minutes of a directors'
meeting. said he took the above mentioned rough
drafted net worth statement with him to Superior where it
was given by him to ORR. Upon review of the statement by
ORR the latter suggested
the valuation of the assets owned and listed thereon purportedly
for appearances, and to create a favorable impression, in
the event anyone ever had occasion to review the nersonal
net worth statements of the company's officers.
stated he acquiesed to ORR's request and consented
to increase the valuation of assets already listed thereon
and in addition added purported land ownership in Montague
County, Texas. He said such land was not titled in his
name but rather was property owned by his parents and by
listing it on the statement, he considered he was merely pro-
jecting his contingent ownership in the property which he
stood to inherit upon the death of his parentsstated this statement was later typed by Superior personnel
and a copy mailed to him. According tothe
statement indicated a purported net worth for him of approxi-
mately \$220,000 as of January 1, 1961, which he admitted
was overstated by about one-third, the principal inflation
being real estate holdings.
DOTHE TOWT OBORDO HATATHEM!
stated that while at Superior on this
occasion, he signed, as president, minutes of an alleged
meeting of Superior's Board of Directors supposedly attended

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DL 29-1096 EP 29-351

stated he was by himself, ORR and ALEXANDER. not now able to recall what was recited in these minutes, and claimed this and the aforementioned net worth statement were the only documents he ever signed in his capacity further as nominal president of Superior. stated this was the last contact had by him directly with HAROLD ORR and RUEL ALEXANDER, and it was likewise the only time he was ever at the premises of Superior. He said aside from the brochure, and related literature pertaining to Superior, as initially furnished him by MC SPADDEN. he was completely without knowledge concerning the nature and extent of Superior's operations. said he was in receipt of regular weekly checks from superior beginning with the week ending February 17, 1961 through and including the week ending October 27, 1961. He stated this income was appropriately reported by him on his personal income tax return for the year 1961 as salary from Superior. advised on a date not recalled, in October, 1901, no received a phone call from MC SPADDEN who indicated ORR and ALEXANDER were pushing him, MC SPADDEN, to make certain changes in the personnel and organizational setup of Superior, and as a consequence, MC SPADDEN had decided should be removed as president of the that he, company. claimed he offered no objection to this probosal by MC SPADDEN and that MC SPADDEN in no way elaborated on the reasons for this action nor did he volunteer who they desired to appoint to the presidency of Superior stated this was the last to succeed him. contact he has had with MC SPADDEN or anyone connected with Superior Manufacturing Company. He said at no time during the period of his association with Superior as nominal president was he aware of the scope of its business operations and that he knew of no influence in the company on the part of BILLIE SOL In this regard, he noted ESTES was known to him in name only and merely recalled on one occasion MC SPADDEN told him that ESTES was a competitor of MC SPADDEN and both were in fertilizer and grain storage business.

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FD-302 (Rev. 3-3-59)

FETRAL BUREAU OF INVESTIGATION INTERVIEW REPORT



April 20, 1962

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At about 1:42 p.m. on April 19, 1962, Texas, called SA WILLIAM R. JENKINS by phone from Lubbock, Texas, and advised that he understood that the FBI was trying to locate R. E. CLEMENTS. He advised if CLEMENTS was wanted, he would like to know so that he could bring him to Amarillo, Texas, with his bondsmen so that CLEMENTS would not have to spend the night in jail. Texas, but was on his farm near Clarendon, Texas, and that there was no phone there. was advised that as far as was known there was no present warrant for CLEMENTS, and also that as far as was known, CLEMENTS was not wanted at the present time.	•	
WILLIAM R. JENKINS by phone from Lubbock, Texas, and advised that he understood that the FBI was trying to locate R. E. CLEMENTS. He advised if CLEMENTS was wanted, he would like to know so that he could bring him to Amarillo, Texas, with his bondsmen so that CLEMENTS would not have to spend the night in jail. advised CLEMENTS was not in Amarillo, Texas, but was on his farm near Clarendon, Texas, and that there was no phone there. was advised that as far as was known there was no present warrant for CLEMENTS, and also that as far as was known, CLEMENTS was not wanted at the present time.	At about 1:42 p.m. on April	19, 1962, Texas, called SA
Texas, but was on his farm near Clarendon, Texas, and that there was no phone there. was advised that as far as was known there was no present warrant for CLEMENTS, and also that as far as was known, CLEMENTS was not wanted at the present time.	that he understood that the FBI was to CLEMENTS. He advised if CLEMENTS was to know so that he could bring him to his bondsmen so that CLEMENTS would in	bock, Texas, and advised trying to locate R. E. s wanted, he would like by Amarillo, Texas, with
was no present warrant for CLEMENTS, and also that as far as was known, CLEMENTS was not wanted at the present time.	Texas, but was on his farm near Clare	was not in Amarillo, endon, Texas, and that
	was no present warrant for CLEMENTS.	and also that as far as
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4/19/62 at Amarillo, Texas Date dictated 4/19/62	4/19/62 of Amarillo, Texas	Date dictated <u>4/19/62</u>

FD-302 (Rev. 3-3-59)

FEDERAL BUREAU OF INVESTIGATION AND THE BUREAU OF THE FORMATION OF THE PROPERTY OF THE PROPER

Date5/6/62	
Windsor Storage, advised that on April 13, 1962 an individual giving his name as stored at that garage a	
vehicle has identification number	
further advised he was in	
receipt of a letter from BILLIE SOL ESTES Enterprises, Pecos,	
Texas making inquiry concerning the vehicle.	

DL 29-1096 EP 29-351 5/3/62 Abilene, Texas 5/4/62 Date dictated _ b6 b7C sah by Special Agent

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Newspaper, 312-314 South Cedar, advised that sometime in late February. 1962. he personally interviewed New Mexico with regard to his connection with analydrous ammonia tank purchases made through BILLIE SOL ESTES. stated that outlined the proposition made to him and pointed out that one or more of the contracts hearing his name had been forged by someone. did not know the identity of the person purnortedly forging his name to the contract, but that felt the contract had definitely been forged and had actually gone to the trouble of sending samples of his own signature to some laboratory for handwriting
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examination.
1

On 3/6/62 at Pecos, Texas File # EP 29-351

SA cfp 366

Date dictated

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FEDERAL BUREAU OF INVESTIGATION

Date	April	19,	1962
Date	K		

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Sheriff R. E. "BOB" BAILEY, El Paso County Sheriff's Office, El Paso, Texas, made available a copy of the coroner's autopsy number 1454 pertaining to the death of GEORGE KRUTELIK, which is signed by
This coroner's report sets forth the results of the autopsy and summarizes the results as follows:
n 4/13/62 at El Paso, Texas File # EP 29-351
SA EDWARD JOSEPH MURPHY / clp 367 Date dictated 4/13/62

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FD-302 (Rev. 1-25-60)

FEDERAL BUREAU OF INVESTIGATION

Date April 24, 1962

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in this case, upon being advised that information received from him in the future with reference to this matter, be reduced to a signed statement, advised as follows:

"I would be very happy to incorporate any and all future information I may obtain and furnish agents of the FBI in signed statement form, sworn to and notarized if desired."

| commented "Of course you understand that practically all information learned by me and passed on to you originates through contacts made by my sources and therefore my testimony in court to this might not be acceptable; however, I would be willing to testify in court

as to all information supplied if it is desired."

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XVII. PROSECUTIVE ACTION

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1.	Results	of	Dallas	conference	0	٥	o*	•	٠	370

PROSECUTIVE ACTION

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- ² -	On May 4, 1962, at Dallas, Texas, a conference
was had	by United States Attorney BAREFOOT SANDERS, Northern
District	of Texas; Assistant United States Attorney
	Western District of Texase and Special Aconto
RAYMOND	ECKENRODE of Dallas, Texas;
U	Inited States Attorney SANDERS and Assistant United
States A	ttorney decided that individual farmers
signing	contracts generated by COLEMAN MC SPADDEN in the
Northern	District of Texas, should be interviewed with the
thought	in mind that substantive counts charging MC SPADDEN
and poss	ibly R. E. CLEMENTS, the latter being the former
présiden	t of Superior Manufacturing Company, with violation of
Section	2314, Title 18, United States Code.
	In addition, Assistant United States Attorney
would co	nsider CLEMENTS in a conspiracy charge in the Western
District	of Texas. Mr. SANDERS will consider presentation to
a Federa	1 Grand Jury of evidence to support an indictment
charging	MC SPADDEN and/or CLEMENTS with violation of
Section	2314, in the Northern District of Texas.
}	has advised that he is considering
recallin	g the Federal Grand Jury at El Paso to hear additional
testimon	y in this case and to obtain a superseding indictment
sometime	in June, 1962. He stated that it is his idea to call
the subj	ects for arraignment sometime in June and thereafter
expects	the case to go to trial during the next regular term.
of court	in October, 1962.